

Semi-Annual report as at 28<sup>th</sup> February 2018

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## **KBC Eco Fund**

Public open-ended investment company under Belgian law (bevek)  
with a variable number of units/shares opting for Investments  
complying with the conditions of Directive 2009/65/EC  
UCITS

No subscriptions will be accepted on the basis of this report. Subscriptions will only be valid if effected after a free copy of the key investor information or prospectus has been provided.

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## 1. GENERAL INFORMATION ON THE BEVEK

### 1.1 ORGANIZATION OF THE BEVEK

**REGISTERED OFFICE :**

2 Havenlaan - B-1080 Brussels, Belgium.

**DATE OF INCORPORATION:**

27 March 1992

**LIFE:**

Unlimited.

**BOARD OF DIRECTORS OF THE BEVEK:**

Wouter Vanden Eynde, Representative KBC Asset Management NV (resigned 01/05/2017)  
 Wilfried Kupers, General Manager Group Legal KBC Group NV (appointed 01/05/2017)  
 Tom Mermuys, Head of Asset Allocation and Strategy Funds KBC Asset Management NV (appointed 01/07/2017)  
 Luc Vanbriel, Head Management Structured Products & Money Market Funds KBC Asset Management NV (resigned 01/07/2017)  
 Carine Vansteenkiste, Director Private Banking - t KBC Bank NV West

Jean-Louis Claessens, Independent Manager

Jozef Walraevens, Independent Manager

Chairman:

Jean-François Gillard, Financial Manager CBC Banque SA

Natural persons to whom the executive management of the bevek has been entrusted:

Wilfried Kupers, General Manager Group Legal KBC Group NV

**MANAGEMENT TYPE:**

Bevek that has appointed a company for the management of undertakings for collective investments. The appointed management company is KBC Asset Management NV, Havenlaan 2, B-1080 Brussels.

**DATE OF INCORPORATION OF THE MANAGEMENT COMPANY:**

30 December 1999.

**NAMES AND POSITIONS OF THE DIRECTORS OF THE MANAGEMENT COMPANY:**

*Chairman:*

L. Gijssens, (resigned 05/05/2017) replaced by L. Popelier (appointed 05/05/2017)

*Directors:*

J. Peeters, Independent Director (resigned 25/04/2017) replaced by A. Van Poeck, Independent Director (appointed 25/04/2017)

J. Daemen, Non-Executive Director

K. Mattelaer, Non-Executive Director

O. Morel, Non-Executive Director

P. Konings, Non-Executive Director

S. Van Riet, Non-Executive Director

D. Mampaey, President of the Executive Committee (resigned 01/09/2017) replaced by J. Lema (appointed 01/09/2017)

C. Sterckx, Managing Director

G. Rammeloo, Managing Director

L. Demunter, Managing Director

K. Vandewalle, Managing Director

J. Verschaeve, Managing Director (resigned 01/06/2017) replaced by T. Ergo, Managing Director (appointed 01/06/2017)

**NAMES AND POSITIONS OF THE NATURAL PERSONS TO WHOM THE EXECUTIVE MANAGEMENT OF THE MANAGEMENT COMPANY HAS BEEN ENTRUSTED:**

D. Mampaey, President of the Executive Committee (resigned 01/09/2017) replaced by J. Lema (appointed 01/09/2017)

C. Sterckx, Managing Director

G. Rammeloo, Managing Director

L. Demunter, Managing Director

K. Vandewalle, Managing Director

J. Verschaeve, Managing Director (resigned 01/06/2017) replaced by T. Ergo, Managing Director (appointed 01/06/2017)

These persons may also be directors of various beveks.

**AUDITOR OF THE MANAGEMENT COMPANY:**

PriceWaterhouseCoopers België, Woluwe Garden, Woluwedal 18, 1932 Sint-Stevens-Woluwe, represented by Gregory Joos, company auditor and recognized auditor.

**STATUS OF THE BEVEK:**

Public Bevek with various sub-funds that has opted for investments complying with the conditions of Directive 2009/65/EC and which, as far as its operations and investments are concerned, is governed by the Act of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables.

In the relationship between the investors, each sub-fund will be viewed as a separate entity.

Investors have a right only to the assets of and return from the sub-fund in which they have invested.

The liabilities of each individual sub-fund are covered only by the assets of that sub-fund.

**FINANCIAL PORTFOLIO MANAGEMENT:**

Regarding the delegation of the management of the investment portfolio, please see the information concerning the sub-funds.

**FINANCIAL-SERVICES PROVIDERS:**

The financial services providers in Belgium are:

CBC Banque SA, Grand Place 5, B-1000 Brussels

**CUSTODIAN:**

KBC Bank N.V., 2 Havenlaan - B-1080 Brussels, Belgium.

***Custodian's activities***

The custodian:

- a) Ensures the safe-keeping of the assets of the Bevek and compliance with the standard obligations in this regard;
- b) Ensures that the sale, issue, purchase, redemption and withdrawal of shares in the Bevek occur in compliance with the applicable legal and regulatory provisions, the articles of association and the prospectus;
- c) Ensures that the net asset value of the shares in the Bevek is calculated in accordance with the applicable legal and regulatory provisions, the articles of association and the prospectus;
- d) Carries out the instructions of the management company or an investment company, provided that these do not contravene the applicable legal and regulatory provisions, the articles of association and/or the prospectus;
- e) Ensures that in transactions relating to the assets of the Bevek, the equivalent value is transferred to the Bevek within the usual terms;
- f) Ascertain that:
  - i. The assets in custody correspond with the assets stated in the accounts of the Bevek;
  - ii. The number of shares in circulation stated in the accounts corresponds with the number of shares in circulation as stated in the accounts of the Bevek;
  - iii. The investment restrictions specified in the applicable legal and regulatory provisions, the articles of association and the prospectus are respected;
  - iv. The rules regarding fees and costs specified in the applicable legal and regulatory provisions, the articles of association and the prospectus are respected;
  - v. The returns of the Bevek are appropriated in accordance with the applicable legal and regulatory provisions, the articles of association and the prospectus.



The custodian ensures that the cash flows of the Bevek are correctly monitored and in particular that all payments by or on behalf of subscribers on subscription to shares in the Bevek, have been received and that all the cash of the Bevek has been booked to cash accounts that:

1. Have been opened in the name of the Bevek, in the name of the management company acting on its behalf, or in the name of the custodian acting on its behalf;
2. Have been opened at an entity as intended in Article 18(1a, b and c) of Directive 2006/73/EC; and
3. Are held in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

If the cash accounts have been opened in the name of the custodian acting in name of the Bevek, no cash from the entity intended in Article 18(1a, b and c) of Directive 2006/73/EC and none of the custodian's own cash may be booked to these accounts.

The assets of the Bevek are placed in custody with a custodian as follows:

- a) For financial instruments that may be held in custody:
  - i. The custodian will hold in custody all financial instruments that may be registered in a financial instrument account in the books of the custodian, as well as all financial instruments that can be physically delivered to the custodian;
  - ii. the custodian will ensure that all financial instruments that can be registered in a financial instrument account in the custodian's books, are registered in the custodian's books in separate accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC; these separate accounts have been opened in the name of the Bevek or in the name of the management company acting on its account, so that it can be clearly ascertained at all times that they belong to the Bevek, in accordance with the applicable law.
- b) For other assets:
  - i. The custodian will verify that the Bevek or the management company acting on its behalf is the owner of the assets by checking based on information or documents provided by the Bevek or the management company and, where appropriate, of available external proofs, whether the Bevek or the management company acting on its behalf has ownership;
  - ii. The custodian will maintain a register of the assets from which it is clear that the Bevek or the management company acting on its behalf is the owner thereof and will keep that register up-to-date.

The custodian's duty to return the financial instruments only applies to financial instruments that may be held in custody.

#### ***Custody tasks delegated by the custodian***

The custodian of the Bevek has delegated a number of custody tasks as of the publication date of this annual/half-year report. The tasks delegated to this sub-custodian are:

- Holding the required accounts in financial instruments and cash;
- Carrying out the custodian's instructions regarding the financial instruments and cash;
- Where required, the timely delivery of the relevant financial instruments to other parties involved with holding them;
- The collection of every type of return from the financial instruments;
- The appropriate communication to the custodian of all information that the sub-custodian receives directly or indirectly from the issuers via the chain of depositaries and performing the required formalities with regard to the financial instruments, with the exception of exercising voting rights, unless otherwise agreed in writing;
- Maintaining and communicating to the custodian all required details regarding the financial instruments;
- Processing corporate events on financial instruments, whether or not after the holder of these instruments has made a choice;
- Providing the services that have been agreed between the custodian and the sub-custodian and are legally permitted, with the exception of investment advice and asset management and/or any other form of advice relating to transactions in or the simple holding of financial instruments;
- Maintaining and communicating to the custodian all required details regarding the financial instruments.

#### ***List of sub-custodians and sub-sub-custodians***

The updated list of entities to which the custodian has delegated custody duties and, where applicable, the entities to which the delegated custody duties have been sub-delegated, can be consulted at <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html>.

The custodian is liable for the loss of financial instruments held in custody in the sense of Article 55 of the Law of 3 August 2012 relative to undertakings for collective investment complying with the conditions of Directive 2009/65/EC and the undertakings for investment in receivables.

Investors can approach the institutions providing the financial services for up-to-date information regarding the identity of the custodian and its principal duties, as well as the delegation of these duties, and the identity of the institutions to which these duties have been delegated or sub-delegated, and also regarding any conflicts of interest as specified below.

**Conflicts of interest**

The custodian will take all reasonable measures to identify conflicts of interest that may arise in the execution of its activities between

- The custodian and management company of the Bevek, or the management companies of other beveks or funds of which the custodian holds assets;
- The custodian and the Bevek whose assets the custodian holds, or other beveks or funds of which the custodian holds assets;
- The custodian and the investors in this Bevek whose assets the custodian holds, or other beveks or funds of which the custodian holds assets;
- These parties themselves.

The custodian of the Bevek will implement and maintain effective organisational and administrative procedures in order to take all reasonable measures to detect, prevent, manage and control conflicts of interest so that they do not prejudice the interests of the aforementioned parties.

If these procedures are not sufficient to be able to assume with reasonable certainty that the interests of the aforementioned parties have not been harmed, the investors will be notified of the general nature or causes of conflicts of interest according to the procedure described on the following website: <https://www.kbc.be/retail/en/legal-information/investment-legal-documents.html> . Investors who wish to be informed personally of such conflicts of interest can contact the financial services providers. If necessary, the open-ended investment company's custodian will adjust its processes.

**ADMINISTRATION AND ACCOUNTING MANAGEMENT:**

KBC Asset Management N.V., 2 Havenlaan - B-1080 Brussels, Belgium.

**ACCREDITED AUDITOR OF THE BEVEK:**

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, in the form of a CVBA (co-operative limited liability company), Gateway Building, Luchthaven Nationaal 1 J, B-1930 Zaventem, represented by partner Maurice Vrolix, company auditor and recognized auditor.

**DISTRIBUTOR:**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

**PROMOTER:**

KBC

The official text of the articles of association has been filed with the registry of the Commercial Court.

**LIST OF SUB-FUNDS OF KBC Eco FUND**

1. Alternative Energy
2. Climate Change
3. CSOB Water
4. Impact Investing
5. Water
6. World

**SHARE CLASSES**

The characteristics of the different share classes are given in the prospectus.

The following sub-funds have a share class called 'Classic Shares':

Alternative Energy

Climate Change

Water

World

The following sub-funds have a share class called 'Institutional B-Shares':

Alternative Energy

Climate Change

Water

World

In the event of discrepancies between the Dutch and the other language versions of the (Semi-)Annual report, the Dutch will prevail.

## 1.2 MANAGEMENT REPORT

### 1.2.1 INFORMATION FOR THE SHAREHOLDERS

Not applicable.

### 1.2.2 GENERAL MARKET OVERVIEW

#### General Investment climate

September 1, 2018 – February 28, 2018

#### Review of the equity markets

The past six calendar months (to 28 February 2018) saw a rise of around 6% on the world's stock markets (MSCI World AC, expressed in euros). September and October were especially strong months. Markets were a bit more nervous at the beginning of November due to high valuations and the failure of President Trump's long-awaited tax plan to materialise. The renewed strength of the euro probably also contributed to this, as it gained 5% compared to the US dollar. Stock markets rose by a substantial 5.5% in January – measured in dollars, at least – following the approval of the tax cuts in the United States. The figure in euros was less than 2%. The strong euro also dampened the mood for investors from the euro area: there was little left of the profit taken in strong markets outside the euro area once it had been converted into the single currency. At the end of January, there was nothing to suggest a correction the next month.

Investors were spooked in early February, however, by a 2.9% increase in US wages, which was more than expected. This sparked fears of higher American inflation and hence also of monetary tightening by the Fed, the US central bank, and substantially higher interest rates. Stock market prices fell in response and there was a spike in market volatility. A number of institutional investors decided to reduce their heightened portfolio exposure by selling extra shares. The wave of selling pushed share prices down across the world. The correction hit a level of 8% globally and 10% on Wall Street. Surprisingly, the regional differences during the correction in early February remained fairly limited, ranging from -5.5% in Australia to -12% in China. Stock markets did recover somewhat in the course of the month, but the global equity index nevertheless closed 2% lower.

The economic news remains overwhelmingly good. Confidence indicators have reached, or are close to, their highest levels since the financial crisis. In spite of a slight slowdown in GDP growth in the fourth quarter, growth forecasts have been revised upwards again. Corporate earnings likewise continued to expand. Fourth-quarter earnings growth worked out at 17% in the traditional markets, substantially more than forecast. For the fourth quarter, the markets seem to be heading for earnings growth of over 13%. US tax cuts were finally approved at the end of 2017 and that too will benefit companies. Forecast US earnings growth has been raised to 20% for 2018.

Economic conditions are therefore still looking good for shares. Growth is clearly picking up and inflation remains below the central banks' target levels (2%). Fears of slow-rising inflation and a less flexible policy by the central banks pushed long rates considerably higher, particularly in the US where they have risen 0.8% since the low point at the beginning of September. Volatility (the extent to which the price of a share or other financial product fluctuates over time, or to which a share index or exchange rate moves up or down) remained very low on the stock markets until the beginning of February. The volatility indices peaked at that point, before stabilising at their 2015 levels, slightly above the long-term average. Euro area stock markets have lagged the global market in the past six months, gaining barely 3%. The Japanese stock market turned in a good performance (+9.4% in euros), thanks to good economic and earnings growth figures. Canada brought up the rear among the traditional markets, with a loss of 1.4%. Uncertainty about the future of the free-trade area with the US weighed on share prices – a factor that also affected Mexico.

Shares from emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag with the West) gained an average of 7.8%, which was a little more than stock markets in traditional economies. However, there were big differences. Rising oil and commodity prices also drove up markets in Brazil (+14%), Russia (+20%) and South Africa (+10%). Turkey (-5%) and especially Mexico (-13%) lost ground in euros due to a serious weakening of their currencies. Political uncertainty and high inflation weighed on these markets and on their exchange rates in particular.

Technology, the growth sector par excellence, was among the best performers again with a return of more than 13%, despite a correction at the end of November. Winners were also to be found in other cyclical sectors (i.e. sectors sensitive to shifts in the economic cycle), especially in the automobile industry and distribution. The financial sectors too did better than the broad market. Those lagging behind are mainly to be found in non-cyclical sectors (sectors that are less susceptible to changes in the economic cycle) and that have been hit by rising interest rates. Utilities, telecommunication services and manufacturers of food and personal products even went into arrears.

It was notable that these supposedly defensive sectors were barely able to limit their losses during the correction at the beginning of February. The best-performing sector, the utilities, shed 5%. But the food

companies also fell 7% – hardly less than the broad market. Only energy declined by a genuinely substantial 11%, as oil prices dropped by 7 dollars per barrel at the same time.

### **Review of the bond markets**

Government bond yields have performed extremely unevenly since September 2017, with a fairly steep climb at the beginning of 2018.

The good economic news in the recent period, oil prices rising towards 70 USD per barrel and the first signs of rising wages in the US caused markets to raise their inflation forecasts. This made itself felt at the beginning of 2018, with investors driving up bond rates. The surge was certainly visible in the US, but also in other developed countries.

Against a backdrop in which the Federal Reserve had already raised interest rates several times and started reducing its balance sheet, the ECB decided to extend its bond purchasing programme in October 2017 until September 2018, albeit at a somewhat lower pace. However, the ECB's announcement that monetary policy might already change early in 2018 fuelled speculation about the definitive end to cheap money. This prompted caution on the part of European bond market investors, the effects of which include pushing German 10-year yields towards 0.7%.

During the past few months, the risk premium on corporate bonds has dropped further to historically low levels. Thanks to the strong economic growth, companies are reasonably financially healthy, which means the likelihood of bankruptcy is low. The ECB continues to act as a major buyer on the market, which is also pushing down the yield on corporate bond

### **We have a clear preference for shares over bonds.**

Shares are not cheap, but the dividend yield still exceeds the level of interest rates. This has a lot to do with the fact that bonds are heavily overpriced due to the low interest rate levels. Shares also benefit most from strong worldwide economic growth. The markets received a blow at the beginning of February. After fairly strong salary growth figures in the US, fears mounted for high inflation and much higher interest rates. We believe that inflation will only gradually rise and remain close to 2%. Salary increases can be sufficiently absorbed by the increasing productivity.

Economic outlooks remain very good. Economic growth has picked up since the autumn of 2016, with confidence indicators in the euro area at their highest level since the financial crisis. In the fourth quarter, global growth appears to be falling back slightly, especially in Japan. However, the two previous quarters were among the highest in the past few years. In the US, and certainly in the euro area, the economy surpassed the trend. Growth for 2018 will be revised upwards in the US due to the approval of tax cuts just before the new year and additional spending packages in February. There is still some waiting for investments in the outdated infrastructure, as President Trump's plan fails to convince. Growth in the emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag with the West) accelerated, thanks to the stimulus from China towards the end of last year. That effect has worn off to a certain extent, now that the government intends to address the issue of excessive lending. Even so, the Chinese economy continues to grow at a stable rate of 6.8%.

The monetary policy remains supportive. The European Central Bank (ECB) extended its monetary stimulus package to the end of September 2018 (albeit at a somewhat slower pace). An interest rate hike is not expected before summer 2019. As expected, the US central bank (Fed) raised its key rate to 1.5% in December, but this is still well below normal levels. It has also started unwinding its balance sheet to a limited extent and will probably raise its rates three times in 2018. The Bank of Japan continues to create money at a pace, which has weakened the currency and supports Japanese corporate earnings and the stock market.

In the fourth quarter of 2017, corporate earnings grew by around 15% in the US and by 17% in Europe and Japan, and with that, expectations were rightly quite high. In the euro area, companies can clearly hike up their margins despite a counterbalance from the strong euro.

Regionally, we prefer the euro area and Asia's emerging markets, where we are seeing widespread acceleration of nominal growth, as well as economic indicators at a high level. The expected earnings growth in Asia especially is higher than in the rest of the world. Both markets are, on average, much cheaper than the US, despite a substantial upward revision of US earnings growth to +15% in 2018 thanks to (the one-off effect of) tax cuts. The strong euro could put a brake on corporate earnings in the euro area, but this will be offset by vigorous domestic growth.

Within the euro area, this effect will be clearest in Germany. The country remains the region's growth engine with historically high confidence indicators. Its stock market is cheaper than the average of the euro area, and is also quite cyclical (i.e. sensitive to changes in the economic cycle), which enables it to benefit from accelerating worldwide growth. The stronger euro, of course, depresses earnings from outside the euro area, but business competitiveness means that this will not in itself adversely affect exports.

Within the sectors, the cyclical (sensitive to changes in the economic cycle) and growth-oriented sectors, in particular, should benefit from the strong economy. This is primarily the case with the material and cyclical consumer sectors (goods and services whose consumption is influenced by the economic cycle. Consumption is higher during periods of strong economic growth. Examples are cars or tourism), financials and technology companies. In the fourth quarter of 2017, these five sectors had the

strongest earnings growth once again. The technology sector, incidentally, recorded unexpectedly strong earnings growth once again in the third quarter. Expectations in the sector are very high, however, especially in the case of software, which means hefty prices and severe punishment for disappointing performance. Within materials, we are upbeat mainly about the mining and metals sub-sector. The companies there have slashed costs and their investment budget to enable higher metal prices to significantly boost cash flow and earnings. The defensive sectors, such as utilities, telecommunications and consumer staples (for example, foodstuffs) are sectors that can benefit less from the strong economic cycle. Above all, these sectors perform less well in an environment of rising interest rates. We are avoiding these sectors, even though they are relatively cheaply valued.

We are focusing on mature, stable businesses that pay out part of their earnings and especially their surplus cash to shareholders in the form of high dividends. They are an attractive alternative for bond investors, especially in Europe where the dividend yield at roughly 3.5% is much higher than interest rates. The reverse applies to the US. Moreover, they remain the cheapest segment in a stock market that has become expensive.

A selection of European family businesses presents another form of stability, namely growth and return on equity. A strong family-held shareholding where the family is involved in running the company leads to a well thought-out long-term vision. This means that the growth of family-led businesses is often more stable, and the focus is more on the success and expansion of core activities that are often found in niche segments. They focus relatively strongly on the domestic euro area market and suffer less from the strong euro.

Lastly, we also choose water companies. The scarcity of drinking water – due in part to problems with obsolete and inadequate water infrastructure – and problems with water quality and waste-water treatment will boost their turnover in the long term. These companies trade at a premium that is fairly low right now, given their above-average turnover and earnings growth.

### **Play the right bond themes**

Owing to the extremely low interest rate level we are invested well below the benchmark concerning government bonds in the euro area. We are also reducing the duration. The current yield for these types of bond is extremely low (and even negative). In addition, interest rates are more likely to rise due to accelerating economic growth, inflation figures that we expect to rise and central banks that are letting it be known that they will not keep the monetary tap open forever. This constitutes an asymmetrical risk. The US central bank (Fed) is prioritising a very gradual normalisation of its policy. The European Central Bank (ECB) is extending its asset purchasing programme and will continue to buy up bonds until September 2018, albeit at a somewhat lower rate. In this way, it will continue to depress interest rates.

Within the government bonds segment, we are mainly seeking higher bond yields outside the euro area, as reflected in the positions held in Norway. The robust economy and higher coupon make Norwegian bonds an attractive investment.

Furthermore, we remain positive for high yield bonds and invest part of the portfolio in government bonds from emerging markets (countries or regions that are expected to experience rapid economic growth to make up their lag with the West). The current yield is higher than that on traditional bonds, but volatility can also run high. In an environment of rising interest rates and uncertainty regarding the potential consequences of Donald Trump's policy on the rest of the world, we are, however, limiting the duration.

Certain segments of the corporate bond market also remain attractive, especially subordinated bonds of financial companies. The expected returns are a little higher, offsetting the higher credit risk. This premium has dropped to historically low levels. However, companies from the euro area are generally healthier than ever, and often have substantial cash positions and a strong financial structure. Effective diversification within this theme also reduces the negative impact that individual companies can have. Moreover, the ECB is providing additional indirect support by purchasing corporate bonds, thereby supporting the overall economic climate.

Strong economic growth is often favourable for convertible bonds and, for this reason, they are included in investment portfolios. In an environment with increasing interest rates, low duration can be appealing. In particular, we assume that the expected increase in market prices and slightly higher fluctuations in 2018 will lead to price appreciation for this investment.

### 1.3 AGGREGATED BALANCE SHEET (IN EUR)

<b>Balance sheet layout</b>	<b>28/02/2018</b> (in the currency of the bevek)	<b>28/02/2017</b> (in the currency of the bevek)
<b>TOTAL NET ASSETS</b>	882.878.313,45	490.778.963,73
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	552.102,56	
C. Shares and similar instruments		
a) Shares	879.648.371,33	487.138.830,75
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	337.942,58	-217.200,22
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	6.677.216,38	501.903,31
B. Payables		
a) Accounts payable (-)	-12.350.618,33	-563.955,54
c) Borrowings (-)	-5.396.324,95	-204.632,77
d) Collateral (-)	-552.102,56	
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	14.385.522,77	4.006.988,77
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward		303.598,63
B. Accrued income	680.318,87	420.974,95
C. Accrued expense (-)	-1.104.115,20	-607.544,15
<b>TOTAL SHAREHOLDERS' EQUITY</b>	882.878.313,45	490.778.963,73
<b>A. Capital</b>	860.596.576,67	446.093.184,84
<b>B. Income equalization</b>	1.110.442,02	105.848,41
<b>D. Result of the period</b>	21.171.294,77	44.579.930,47

#### Off-balance-sheet headings

<b>I Collateral (+/-)</b>		
<b>I.A Collateral (+/-)</b>		
I.A. Securities/market instruments	552.102,56	
A		
<b>III Notional amounts of futures and forward contracts</b>		
III.A Purchased futures and forward contracts	28.478.584,29	18.833.369,51
III.B Written futures and forward contracts	-3.179.333,01	-752.256,31





## 1.4 AGGREGATED PROFIT AND LOSS ACCOUNT (IN EUR)

<b>Income Statement</b>	<b>28/02/2018</b> (in the currency of the bevek)	<b>28/02/2017</b> (in the currency of the bevek)
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	33.350.845,53	35.351.961,60
D. Other securities	-7.385,98	-841,38
G. Receivables, deposits, cash at bank and in hand and payables	-0,02	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	50.674,63	-53.751,68
b) Other foreign exchange positions and transactions	-9.939.416,70	10.547.812,93
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	21.143.813,83	11.277.921,00
Unrealised gains on investments	28.044.904,73	34.899.258,45
Realised losses on investments	-7.914.431,19	-5.000.810,17
Unrealised losses on investments	-17.819.569,88	4.668.812,19
<b>II. Investment income and expenses</b>		
A. Dividends	5.281.084,16	2.918.125,26
B. Interests		
b) Cash at bank and in hand and deposits	10.370,09	4.081,40
C. Interest on borrowings (-)	-15.532,41	-5.791,92
F. Other investment income	7.141,50	
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	366.120,80	32.541,15
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-725.618,56	-122.860,24
B. Financial expenses (-)	-1.872,92	-6.726,11
C. Custodian's fee (-)	-338.887,95	-168.200,89
D. Manager's fee (-)		
a) Financial management	-5.889.646,78	-3.425.652,51
b) Administration and accounting management	-387.007,08	-224.734,82
E. Administrative expenses (-)	-3.995,50	-4,06
F. Formation and organisation expenses (-)	-30.394,80	-28.590,04
G. Remuneration, social security charges and pension	-7.876,49	-8.476,11
H. Services and sundry goods (-)	-34.925,08	-35.291,82
J. Taxes	-328.251,89	-162.682,81
K. Other expenses (-)	-184.129,83	-30.987,49
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-2.283.422,47	-1.265.250,97
<b>V. Profit (loss) on ordinary activities before tax</b>	21.171.294,77	44.579.930,47
<b>VII. Result of the period</b>	21.171.294,77	44.579.930,47

## 1.5 SUMMARY OF ACCOUNTING POLICIES

### 1.5.1 SUMMARY OF RULES

Summary of the valuation rules pursuant to the Royal Decree of 10 November 2006 on the accounting, annual accounts and periodic reports of certain open-ended undertakings for collective investment.

The assets of the various sub-funds are valued as follows:

- When purchased or sold, securities, money market instruments, units in undertakings for collective investment and financial derivatives are recorded in the accounts at their acquisition price or sale price, respectively. Any additional expenses, such as trading and delivery costs, are charged directly to the profit and loss account.
- After initial recognition, securities, money market instruments and financial derivatives are measured at fair value on the basis of the following rules:
  - Securities that are traded on an active market without the involvement of third-party financial institutions are measured at fair value using the closing price;
  - Assets that have an active market which functions through third-party financial institutions that guarantee continuous bid and ask prices are measured using the current bid price set on that market. However, since most international benchmarks use mid-prices, and the data providers cannot supply bid prices (e.g., JP Morgan, iBoxx, MSCI, etc.), the mid-prices are used to measure debt instruments, as provided for in the Notes to the aforementioned Royal Decree. The method to correct these mid-prices and generate the bid price is not used, as it is not reliable enough and could result in major fluctuations.
  - Securities whose last known price is not representative and securities that are not admitted to official listing or admitted to another organised market are valued as follows:
    - When measuring these securities at fair value, use is made of the current fair value of similar assets for which there is an active market, provided this fair value is adjusted to take account of the differences between the assets concerned.
    - If no fair value for similar assets exists, the fair value is calculated on the basis of other valuation techniques which make maximum use of market data, which are consistent with generally accepted economic methods and which are verified and tested on a regular basis.
    - If no organised or unofficial market exists for the assets being valued, account is also taken of the uncertain character of these assets, based on the risk that the counterparties involved might not meet their obligations.
  - Shares for which there is no organised or unofficial market, and whose fair value cannot be calculated reliably as set out above, are measured at cost. Impairment is applied to these shares if there are objective instructions to this end.
  - Units in undertakings for collective investment (for which there is no organised market) are measured at fair value using their last net asset value.
- Liquid assets, including assets on demand at credit institutions, obligations on current account vis-à-vis credit institutions, amounts payable and receivable in the short term that are not represented by negotiable securities or money market instruments (other than vis-à-vis credit institutions), tax assets and liabilities, are measured at nominal value. Other amounts receivable in the longer term that are not represented by negotiable securities are measured at fair value. Impairment is applied to assets, amounts to be received and receivables if there is uncertainty that they will be paid in full or in part at maturity, or if the realisation value of this asset is less than its acquisition value. Additional impairment is recorded on the assets, amounts to be received and receivables referred to in the previous paragraph to ensure that any change in their value, or risks inherent in the asset in question, are taken into account.
- The income arising from securities lending is recognised as other income (Profit and loss account III.B) and is included on an accruals basis in the profit and loss account over the term of the transaction.
- Securities issued in a currency other than that of the relevant sub-fund are converted into the currency of the sub-fund at the last known mid-market exchange rate.

## DIFFERENCES

A minor difference may appear from time to time between the net asset value as published in the press and the net asset value shown in this report. These are minimal differences in the net asset value calculated that are identified after publication.

If these differences reach or exceed a certain tolerance limit, the difference will be compensated. For those buying or selling shares in the bevek and for the bevek itself, this tolerance limit will be a certain percentage of the net asset value and the net assets, respectively.

This tolerance limit is:

- money market funds: 0.25%
- bond funds, balanced funds and funds offering capital guarantee: 0.50%
- equity funds: 1%
- other funds (real estate funds, etc.): 0.50%

## 1.5.2 EXCHANGE RATES

	28/02/2018		28/02/2017	
	<b>1 EUR =</b>	1,5652	AUD	1,3821
3,96235		BRL	3,30575	BRL
1,5628		CAD	1,4074	CAD
1,15265		CHF	1,06415	CHF
725,2893		CLP	690,36065	CLP
25,4095		CZK	27,0205	CZK
7,4457		DKK	7,43285	DKK
1,00		EUR	1,00	EUR
0,8852		GBP	0,8539	GBP
9,5441		HKD	8,24835	HKD
4,2377		ILS	3,8682	ILS
79,4556		INR	70,89535	INR
130,1428		JPY	118,889	JPY
1.320,75905		KRW	1.201,53495	KRW
23,01115		MXN	21,2443	MXN
4,77735		MYR	4,71795	MYR
9,6195		NOK	8,8805	NOK
1,6887		NZD	1,4692	NZD
63,5194		PHP	53,35845	PHP
10,1054		SEK	9,57	SEK
1,6134	SGD	1,4861	SGD	
38,3842	THB	37,0529	THB	
4,64255	TRY	3,8547	TRY	
35,6083	TWD	32,6468	TWD	
1,21965	USD	1,0626	USD	
14,3964	ZAR	13,8988	ZAR	

## EXISTENCE OF COMMISSION SHARING AGREEMENTS

### What the Commission Sharing Agreement entails

The Management Company, or where appropriate, the appointed manager can ask the broker to pay invoices on their behalf for a number of goods and services provided. The broker will then pay those invoices using the savings that have been built up to a certain percentage above the gross commission that it receives from the sub-funds for carrying out transactions.

N.B.:

Only goods and services that assist the Management Company, or where applicable, the appointed manager in managing the sub-funds in the interest of this sub-fund can be covered by a Commission Sharing Agreement.

Goods and services eligible for a Commission Sharing Agreement:

- Research-related and advice-related services;
- Portfolio valuation and analysis;
- Market information and related services;
- Return analysis;
- Services related to market prices;
- Computer hardware linked to specialised computer software or research services;
- Dedicated telephone lines;
- Fees for seminars when the topic is relevant to investment services;
- Publications when the topic is relevant to investment services;
- All other goods and services that contribute directly or indirectly to achieving the sub-funds' investment objectives.

The Management Company, or where appropriate, the appointed manager has laid down an internal policy as regards entering into Commission Sharing Agreements and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

Broker	Commission gross in EUR paid during the period: 1-09-17 - 28-02-18	CSA Credits in EUR accrued during the period: 1-09-17 - 28-02-18	Percentage
CARNEGIE	746	213	28,57%
CITI	55.674	21.973	39,47%
CSFBSAS	15.036	5.992	39,85%
DEUTSCHE	661	222	33,63%
EQ CSA GOLDMAN SACHS INTERNATIONAL	29.493	11.721	39,74%
HSBC	62.884	23.505	37,38%
INSTINET	27.659	9.930	35,90%
MACQUARIE	48.491	18.815	38,80%
MERRILL	12.666	4.979	39,31%
MORGAN STANLEY	6.334	1.960	30,94%
SOCGEN	2.604	791	30,37%
UBSWDR	22.353	8.272	37,01%

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## 2. Information on KBC Eco Fund Climate Change

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### **Classic Shares Distribution**

Launch date:	2 February 2007
Initial subscription price:	500 EUR
Currency:	EUR

##### **Classic Shares capitalisation shares**

Launch date:	2 February 2007
Initial subscription price:	500 EUR
Currency:	EUR

##### **Institutional B Shares capitalisation shares**

Launch date:	25 November 2011
Initial subscription price:	296.94 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

##### Sub-fund's investment policy

###### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

###### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

###### *Permitted derivatives transactions*

**Derivatives may be used to achieve the investment objectives as well as to hedge in risks.**

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives.** Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. **Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**



**Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk.** Furthermore, using derivatives does not affect the portfolio allocation across regions, industry sectors or themes. **As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

At any time, at least 75% of the assets are invested, directly or indirectly, in companies that operate on a sustainable basis in combating climate change and/or focus on reducing greenhouse gas emissions. These companies realize a substantial proportion of their turnover in this sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade in arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform sustainability screening, based on new trends in society.

Screening is carried out by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the independent Environmental Advisory Committee.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

### **Securities Financing Transactions (SFTs)**

**The sub-fund may not lend any financial instruments.**

### **General strategy for hedging the exchange risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to currencies traded on a regulated market that operates regularly, that is recognised and that is open to the public or, alternatively, traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, may also sell currencies forward or exchange rate options in private transactions with prime financial institutions specialising in such transactions.

### **Social, ethical and environmental aspects**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose production over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and should at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening is based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## **2.1.4. Financial portfolio management**

The intellectual management, with the exception of the sustainability screening described in the prospectus, and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects have been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 ND01 Ireland.

## **2.1.5. Distributors**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

## **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.



**2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the climate change prevention industry.

**2.1.8 FUTURE POLICY**

The fund will continue to invest in equities primarily related to the climate change prevention industry.

**2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

Classic Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

## 2.2 BALANCE SHEET

<b>Balance sheet layout</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fundt)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund )</small>
<b>TOTAL NET ASSETS</b>	24.439.322,40	22.349.659,65
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
C. Shares and similar instruments		
a) Shares	24.390.254,03	22.262.240,24
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-47,52	
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	445.985,95	
B. Payables		
a) Accounts payable (-)	-433.138,73	
c) Borrowings (-)	-249.928,34	-700,16
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	305.008,49	68.383,53
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward		15.993,89
B. Accrued income	8.083,83	25.424,89
C. Accrued expense (-)	-26.895,31	-21.682,74
<b>TOTAL SHAREHOLDERS' EQUITY</b>	24.439.322,40	22.349.659,65
<b>A. Capital</b>	23.751.366,39	20.362.377,99
<b>B. Income equalization</b>	7.241,97	-7.144,82
<b>D. Result of the period</b>	680.714,04	1.994.426,47

### Off-balance-sheet headings

<b>III Notional amounts of futures and forward contracts</b>	
III.B Written futures and forward contracts	-190.308,65

## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fund)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	1.051.159,13	1.461.237,87
D. Other securities		-841,38
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-47,51	
b) Other foreign exchange positions and transactions	-266.237,07	579.036,16
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	539.533,48	802.872,81
Unrealised gains on investments	1.050.141,20	1.150.838,49
Realised losses on investments	-216.190,77	-138.823,98
Unrealised losses on investments	-588.609,36	224.545,33
<b>II. Investment income and expenses</b>		
A. Dividends	128.433,51	155.968,23
B. Interests		
b) Cash at bank and in hand and deposits	138,64	212,30
C. Interest on borrowings (-)	-193,11	-653,15
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	646,27	1.378,05
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-10.445,95	-2.466,73
B. Financial expenses (-)	-1.041,55	-1.048,37
C. Custodian's fee (-)	-10.150,28	-8.904,75
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-173.343,17	-155.015,82
Institutional B Shares	-8.352,27	-11.214,29
b) Administration and accounting management	-12.112,98	-11.081,98
E. Administrative expenses (-)	-0,16	-0,06
F. Formation and organisation expenses (-)	-1.994,84	-2.731,34
G. Remuneration, social security charges and pension	-284,85	-423,62
H. Services and sundry goods (-)	-4.905,85	-3.149,66
J. Taxes		
Classic Shares	-7.762,06	-5.410,18
Institutional B Shares	-57,37	-168,21
K. Other expenses (-)	-2.734,49	-296,59
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-104.160,50	-45.006,16
<b>V. Profit (loss) on ordinary activities before tax</b>	680.714,04	1.994.426,48
<b>VII. Result of the period</b>	680.714,04	1.994.426,48

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC Eco FUND CLIMATE CHANGE

Name	Quantity on 28/02/2018	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Austria</u>							
ZUMTOBEL AG -	25.872,00	EUR	8,800	227.673,60		0,93	0,93
<u>Belgium</u>							
C.F.E. (BRU)	2.774,00	EUR	111,400	309.023,60		1,27	1,26
EXMAR NV -	32.161,00	EUR	6,090	195.860,49		0,80	0,80
UMICORE -	6.427,00	EUR	46,520	298.984,04		1,23	1,22
<u>Canada</u>							
CANADIAN NATIONAL RAILWAY CO -	5.522,00	CAD	99,280	350.796,11		1,44	1,44
CANADIAN PACIFIC RAILWAY LTD -	2.384,00	CAD	229,500	350.094,70		1,44	1,43
HYDROGENICS CORP -	18.544,00	CAD	11,410	135.389,71		0,56	0,55
5N PLUS INC -	24.812,00	CAD	2,840	45.089,63		0,19	0,18
<u>China</u>							
BYD CO LTD -	31.000,00	HKD	72,450	235.323,39		0,97	0,96
<u>Denmark</u>							
NOVOZYMES A/S "B"	7.935,00	DKK	315,000	335.700,47		1,38	1,37
<u>Finland</u>							
LASSILA & TIKANOJA OYJ -	7.512,00	EUR	17,780	133.563,36		0,55	0,55
<u>France</u>							
CIE DE ST-GOBAIN -	6.447,00	EUR	46,745	301.365,02		1,24	1,23
GAZTRANSPORT ET TECHNIGAZ SA -	5.124,00	EUR	52,550	269.266,20		1,10	1,10
LEGRAND (PAR)	5.143,00	EUR	64,540	331.929,22		1,36	1,36
MERSEN (PAR)	6.764,00	EUR	40,150	271.574,60		1,11	1,11
SCHNEIDER ELECTRIC SE -	4.188,00	EUR	71,580	299.777,04		1,23	1,23
SECHE ENVIRONNEMENT SA -	1.297,00	EUR	29,500	38.261,50		0,16	0,16
VALEO -	4.856,00	EUR	53,460	259.601,76		1,06	1,06
<u>Germany</u>							
BASF SE -	3.471,00	EUR	86,410	299.929,11		1,23	1,23
CENTROTEC SUSTAINABLE AG -	10.223,00	EUR	14,340	146.597,82		0,60	0,60
CONTINENTAL AG -	1.293,00	EUR	225,700	291.830,10		1,20	1,19
ELRINGLINGER AG -	14.614,00	EUR	17,030	248.876,42		1,02	1,02
HELLA GMBH + CO.KGAA -	5.344,00	EUR	55,700	297.660,80		1,22	1,22
INFINEON TECHNOLOGIES AG -	11.846,00	EUR	22,400	265.350,40		1,09	1,09
MANZ AG -	5.623,00	EUR	34,650	194.836,95		0,80	0,80
SGL CARBON AG -	21.634,00	EUR	11,640	251.819,76		1,03	1,03
TRAFFIC SYSTEM SE -	5.252,00	EUR	18,250	95.849,00		0,39	0,39
VOSSLOH AG (FRA)	7.032,00	EUR	37,500	263.700,00		1,08	1,08
<u>Hong Kong</u>							
CHINA EVERBRIGHT INTL -	256.000,00	HKD	12,120	325.092,99		1,33	1,33

MTR CORPORATION -	96.500,00	HKD	41,500	419.604,78		1,72	1,72
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	130.813,00	INR	116,950	192.542,51		0,79	0,79
<u>Ireland</u>							
KINGSPAN GROUP PLC -	8.537,00	EUR	34,880	297.770,56		1,22	1,22
<u>Italy</u>							
ANSALDO STS SPA -	31.663,00	EUR	12,420	393.254,46		1,61	1,61
LANDI RENZO SPA -	127.773,00	EUR	1,338	170.960,27		0,70	0,70
SNAM SPA -	73.545,00	EUR	3,681	270.719,15		1,11	1,11
<u>Japan</u>							
CENTRAL JAPAN RAILWAY -	2.300,00	JPY	19.950,000	352.574,25		1,45	1,44
EAST JAPAN RAILWAY -	4.300,00	JPY	10.060,000	332.388,73		1,36	1,36
NGK INSULATORS -	20.000,00	JPY	2.004,000	307.969,40		1,26	1,26
NIPPON SHEET GLASS CO LTD -	38.000,00	JPY	860,000	251.108,78		1,03	1,03
WEST JAPAN RAILWAY -	6.100,00	JPY	7.441,000	348.771,50		1,43	1,43
<u>Jersey/The Channel Islands</u>							
CAMCO CLEAN ENERGY PLC -	742.369,00	GBP	0,069	57.866,54		0,24	0,24
<u>Netherlands</u>							
BOSKALIS WESTMINSTER (AMS)	10.060,00	EUR	31,000	311.860,00		1,28	1,28
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	11.413,00	EUR	31,530	359.851,89		1,48	1,47
<u>Norway</u>							
TOMRA SYSTEMS -	25.938,00	NOK	140,000	377.495,71		1,55	1,55
<u>Singapore</u>							
CITIC ENVIROTECH LTD -	702.300,00	SGD	0,730	317.763,11		1,30	1,30
SOUND GLOBAL LTD -	75.000,00	HKD	2,086	16.392,33		0,07	0,07
<u>South Korea</u>							
COWAY CO LTD -	4.337,00	KRW	86.600,000	284.369,96		1,17	1,16
<u>Spain</u>							
ACCIONA SA -	5.618,00	EUR	69,740	391.799,32		1,61	1,60
<u>Sweden</u>							
SWECO AB -	14.891,00	SEK	180,100	265.389,70		1,09	1,09
<u>Switzerland</u>							
ABB LTD -	14.647,00	CHF	23,060	293.028,95		1,20	1,20
OC OERLIKON CORP AG (NOM)20CHF	23.585,00	CHF	16,050	328.407,80		1,35	1,34
<u>Taiwan</u>							
CLEANAWAY CO LTD -	70.000,00	TWD	176,500	346.969,67		1,42	1,42
<u>U.K.</u>							
DIALIGHT PLC -	27.877,00	GBP	5,780	182.025,60		0,75	0,75
FIRSTGROUP PLC -	270.493,00	GBP	0,820	250.416,87		1,03	1,03
JOHNSON MATTHEY PLC -	6.562,00	GBP	31,350	232.397,99		0,95	0,95
RENEWI PLC -	274.344,00	GBP	0,905	280.480,48		1,15	1,15
SIG PLC -	155.986,00	GBP	1,450	255.512,54		1,05	1,05
SPIRAX-SARCO ENGINEERING PLC -	4.691,00	GBP	57,100	302.593,88		1,24	1,24
<u>U.S.A.</u>							
APTIV PLC -	3.445,00	USD	91,330	257.968,97		1,06	1,06
BORGWARNER INC -	6.318,00	USD	49,080	254.242,97		1,04	1,04
CALGON CARBON CORP -	20.004,00	USD	21,250	348.530,32		1,43	1,43
CLEAN ENERGY FUELS CORP -	159.426,00	USD	1,390	181.693,22		0,75	0,74

CLEAN HARBORS INC -	6.230,00	USD	49,930	255.043,58		1,05	1,04
COVANTA HOLD CORP -	18.868,00	USD	14,950	231.276,68		0,95	0,95
CREE RESEARCH INC -	6.624,00	USD	37,830	205.457,24		0,84	0,84
CSX -	5.337,00	USD	53,720	235.070,42		0,96	0,96
CUMMINS INC. -	1.942,00	USD	168,170	267.770,38		1,10	1,10
DANAHER CORPORATION -	4.016,00	USD	97,780	321.964,89		1,32	1,32
DELPHI TECHNOLOGIES PLC -	5.003,00	USD	47,750	195.870,33		0,80	0,80
EMERSON ELECTRIC CO -	4.705,00	USD	71,060	274.125,61		1,12	1,12
ENERSYS -	4.122,00	USD	69,690	235.528,37		0,97	0,96
ESCO TECHNOLOGIES INC -	5.204,00	USD	58,900	251.314,39		1,03	1,03
GENESEE & WYOMING INC -	4.254,00	USD	69,530	242.512,70		0,99	0,99
GREAT LAKES DREDGE & DOCK CORP -	46.317,00	USD	4,550	172.789,20		0,71	0,71
LAYNE CHRISTENSEN COMPANY -	18.162,00	USD	15,500	230.812,94		0,95	0,94
LINDSAY MANUFACTURING CO -	3.632,00	USD	88,440	263.365,79		1,08	1,08
MAXWELL TECHNOLOGIES INC -	41.719,00	USD	5,690	194.630,52		0,80	0,80
MDU RESOURCES GROUP INC -	21.594,00	USD	26,290	465.466,54		1,91	1,91
NEW JERSEY RESOURCES CORP -	10.289,00	USD	38,100	321.412,62		1,32	1,32
NORFOLK STHN CP -	2.316,00	USD	139,080	264.099,77		1,08	1,08
NORTHWEST NATURAL GAS CO -	7.892,00	USD	52,150	337.447,46		1,38	1,38
ONEOK, INC. -	5.995,00	USD	56,330	276.881,36		1,14	1,13
OWENS CORNING -	3.669,00	USD	81,300	244.569,92		1,00	1,00
PLUG POWER INC -	113.571,00	USD	1,860	173.198,92		0,71	0,71
REGAL-BELDIT CORP -	4.119,00	USD	72,300	244.171,44		1,00	1,00
REPUBLIC SERVICES INC. -	5.634,00	USD	67,180	310.328,47		1,27	1,27
ROPER INDUSTRIES INC -	1.356,00	USD	275,090	305.843,51		1,25	1,25
TESLA INC -	821,00	USD	343,060	230.928,76		0,95	0,95
TOYOTA MOTOR CREDIT -	5.700,00	JPY	7.235,000	316.878,84		1,30	1,30
VEECO INSTRUMENTS INC -	12.297,00	USD	18,150	182.995,57		0,75	0,75
VMWARE INC CLASS A -	2.133,00	USD	131,750	230.412,62		0,95	0,94
WASTE CONNECTIONS INC -	6.393,00	CAD	90,860	371.684,14		1,52	1,52
WILLIAMS COMPAGNIES -	10.143,00	USD	27,760	230.861,05		0,95	0,95
Total shares				24.390.254,03		100,00	99,80
Forward contracts		EUR		-47,52			
TOTAL SECURITIES PORTFOLIO				24.390.206,51		100,00	99,80
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP CAD	66.367,03	CAD	1,000	42.466,75			0,17
KBC GROUP CHF	-640,37	CHF	1,000	-555,56			0,00
KBC GROUP DKK	-289.138,76	DKK	1,000	-38.832,99			-0,16
KBC GROUP EURO	-9.165,61	EUR	1,000	-9.165,61			-0,04
KBC GROUP GBP	-124.775,17	GBP	1,000	-140.957,04			-0,58
KBC GROUP HKD	613.699,34	HKD	1,000	64.301,44			0,26
KBC GROUP JPY	25.104.742,00	JPY	1,000	192.901,51			0,79
KBC GROUP NOK	47.252,84	NOK	1,000	4.912,19			0,02
KBC GROUP NZD	-1.694,39	NZD	1,000	-1.003,37			0,00
KBC GROUP SEK	-14.662,81	SEK	1,000	-1.450,99			-0,01
KBC GROUP SGD	688,28	SGD	1,000	426,60			0,00
KBC GROUP USD	-70.694,31	USD	1,000	-57.962,78			-0,24
Total demand accounts				55.080,15			0,23
TOTAL CASH AT BANK AND IN HAND				55.080,15			0,23

OTHER RECEIVABLES AND PAYABLES						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP DKK RECEIVABLE	299.916,60	DKK	1,000	40.280,51		0,17
KBC GROUP EUR RECEIVABLE	103.656,78	EUR	1,000	103.656,78		0,42
KBC GROUP GBP RECEIVABLE	125.704,29	GBP	1,000	142.006,65		0,58
KBC GROUP INR TE ONTVANGEN	3.921.493,09	INR	1,000	49.354,52		0,20
KBC GROUP USD RECEIVABLE	135.000,00	USD	1,000	110.687,49		0,45
Total receivables				445.985,95		1,83
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP CAD PAYABLE	-61.465,09	CAD	1,000	-39.330,11		-0,16
KBC GROUP EUR PAYABLE	-329.478,30	EUR	1,000	-329.478,30		-1,35
KBC GROUP HKD PAYABLE	-613.975,00	HKD	1,000	-64.330,32		-0,26
Payables				-433.138,73		-1,77
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>12.847,22</b>		<b>0,05</b>
<b>OTHER</b>						
Interest receivable		EUR		8.083,83		0,03
Expenses payable		EUR		-26.895,31		-0,11
<b>TOTAL OTHER</b>				<b>-18.811,48</b>		<b>-0,08</b>
<b>TOTAL NET ASSETS</b>				<b>24.439.322,40</b>		<b>100,00</b>

**Geographic breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Austria	1,51	1,68	1,04	0,93
Belgium	4,27	4,52	3,06	3,30
Brazil	2,27	1,98	0,00	0,00
Canada	4,09	3,96	5,34	5,14
Switzerland	4,61	4,52	2,28	2,55
Chile	1,23	1,34	0,00	0,00
China	0,70	0,72	1,13	0,96
Germany	3,51	3,56	9,16	9,66
Denmark	1,74	1,63	1,35	1,38
Spain	3,12	2,92	3,01	1,61
Finland	0,00	0,00	0,61	0,55
France	2,54	2,69	6,25	7,26
U.K.	7,91	8,28	5,43	6,16
Hong Kong	4,12	4,32	3,22	3,05
India	1,05	1,14	0,96	0,79
Ireland	0,00	0,00	1,33	1,22
Italy	3,49	3,28	3,37	3,42
Jersey/The Channel Islands	1,10	1,23	0,24	0,24
Japan	6,77	7,81	9,70	7,83
South Korea	1,42	1,53	1,22	1,17
Netherlands	0,00	0,00	2,30	2,75
Norway	0,35	0,46	1,49	1,55
New Zealand	1,58	1,56	0,00	0,00
Philippines	1,57	1,61	0,00	0,00
Portugal	0,85	0,86	0,00	0,00
Singapore	1,50	1,66	1,54	1,37
Sweden	0,00	0,00	1,29	1,09
Taiwan	1,94	1,94	1,50	1,42
U.S.A.	34,81	33,07	33,18	34,60
British Virgin Islands	0,40	0,21	0,00	0,00
Guernsey The Channel Islands	1,55	1,52	0,00	0,00
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Sector breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Cyclicals	48,29	49,64	41,81	43,81
Consum(cycl)	6,66	6,46	37,61	38,11
Cons.goods	1,49	1,40	0,94	0,95
Pharma	0,84	0,79	0,88	1,15
Financials	2,58	2,58	0,00	0,00
Technology	9,44	9,47	8,77	7,89
Telecomm.	2,23	2,20	0,00	0,00
Utilities	28,47	27,46	9,99	8,09
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>



**Currency breakdown (as a % of net assets)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
BRL	1,43	1,32	0,00	0,00
CAD	3,01	2,93	5,35	5,14
CHF	3,76	3,66	2,28	2,54
CLP	1,24	1,34	0,00	0,00
DKK	1,70	1,63	1,36	1,38
EUR	18,17	19,66	30,11	30,44
GBP	10,77	11,03	5,48	6,39
HKD	4,78	4,92	4,43	4,07
INR	1,06	1,14	0,97	0,99
JPY	6,85	7,79	9,77	7,82
KRW	1,43	1,52	1,23	1,16
NOK	0,35	0,46	1,51	1,56
NZD	1,63	1,56	0,00	0,00
PHP	1,58	1,61	0,00	0,00
SEK	0,00	0,00	1,29	1,08
SGD	1,44	1,54	1,39	1,30
TWD	1,96	1,93	1,50	1,42
USD	38,84	35,96	33,33	34,71
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

#### 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND CLIMATE CHANGE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	4.751.592,07	4.751.592,07
<b>Sales</b>	3.236.454,85	3.236.454,85
<b>Total 1</b>	7.988.046,92	7.988.046,92
<b>Subscriptions</b>	2.573.037,72	2.573.037,72
<b>Redemptions</b>	814.170,89	814.170,89
<b>Total 2</b>	3.387.208,61	3.387.208,61
<b>Monthly average of total assets</b>	24.371.941,26	24.371.941,26
<b>Turnover rate</b>	18,88 %	18,88 %

	1st half of year	Year
<b>Purchases</b>	4.751.592,07	4.751.592,07
<b>Sales</b>	3.236.454,85	3.236.454,85
<b>Total 1</b>	7.988.046,92	7.988.046,92
<b>Subscriptions</b>	2.573.037,72	2.573.037,72
<b>Redemptions</b>	814.170,89	814.170,89
<b>Total 2</b>	3.387.208,61	3.387.208,61
<b>Monthly average of total assets</b>	24.287.801,91	24.287.801,91
<b>Corrected turnover rate</b>	18,94 %	18,94 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

### 2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC VK-AK JPY-EUR 180305-180302 130.1753	JPY	-24.767.300,00	-190.308,65	N/A	28.02.2018

### 2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

#### Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	8.719,65	989,59	5.612,32	701,00	37.801,87	4.308,38	42.110,24
2017 - 08*	4.014,05	529,00	5.389,25	926,17	36.426,66	3.911,21	40.337,87
2018 - 02*	3.785,11	181,00	1.163,82	316,00	39.047,95	3.776,21	42.824,15

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	4.167.125,74	447.166,89	2.576.821,79	317.688,00
2017 - 08*	2.130.038,78	261.077,77	2.762.935,59	454.717,18
2018 - 02*	2.124.779,07	91.291,08	654.723,67	161.935,68

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2016 - 08*	20.848.229,32	498,65	463,81
2017 - 08*	21.143.549,67	528,79	481,03
2018 - 02*	23.169.134,52	546,18	487,73

\* The financial year does not coincide with the calendar year.

## Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	0,00		558,00		2.398,00		2.398,00
2017 - 08*	1.795,00		2.522,00		1.671,00		1.671,00
2018 - 02*	650,00		0,00		2.321,00		2.321,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	0,00		267.156,02	
2017 - 08*	887.490,95		1.343.244,51	
2018 - 02*	366.698,00		0,00	

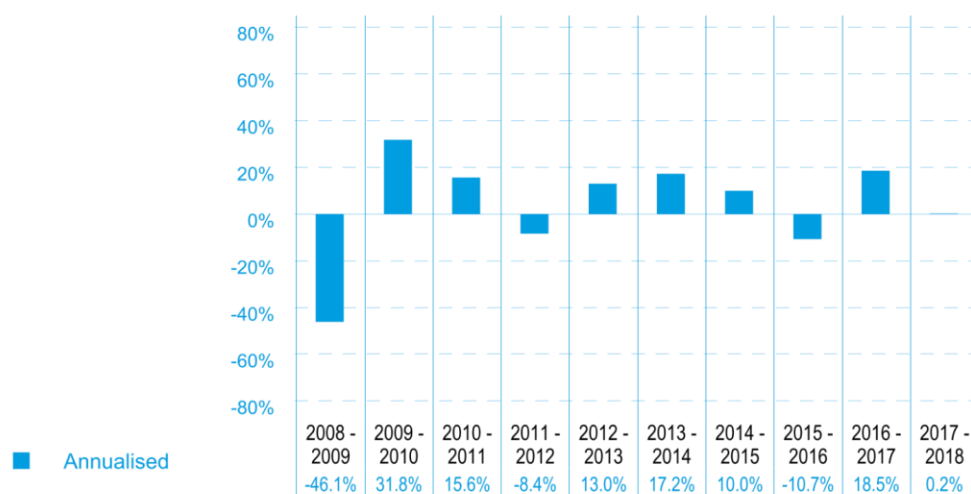
Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2016 - 08*	1.197.464,17	499,36	
2017 - 08*	885.193,76	529,74	
2018 - 02*	1.270.187,88	547,26	

\* The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

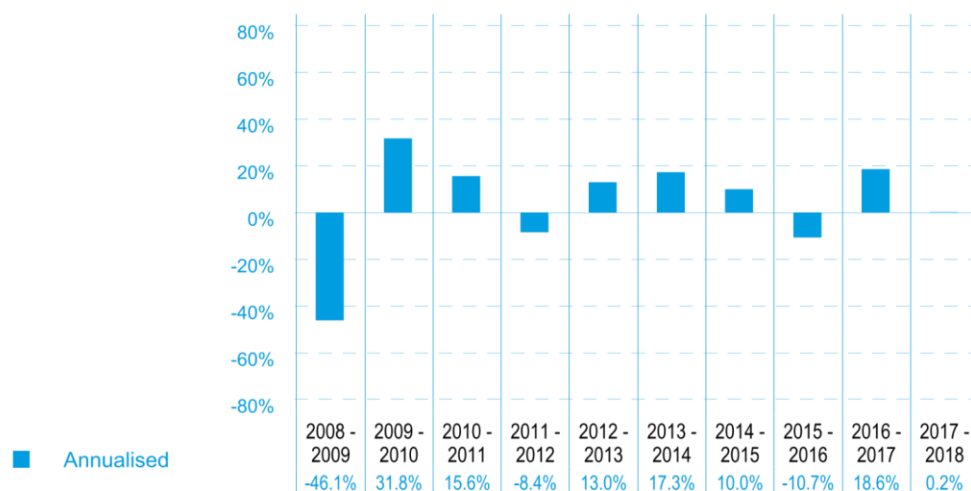
### Classic Shares

BE0946843266  
KBC Eco Fund Climate Change Classic Shares DIS  
Annual performance on 28/02/2018 (in EUR)



### Classic Shares

BE0946844272  
KBC Eco Fund Climate Change Classic Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur- rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0946843266	EUR	0.18%		1.97%		6.45%		1.50%		02/02/2007	0.78%
CAP	BE0946844272	EUR	0.20%		2.00%		6.49%		1.52%		02/02/2007	0.80%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

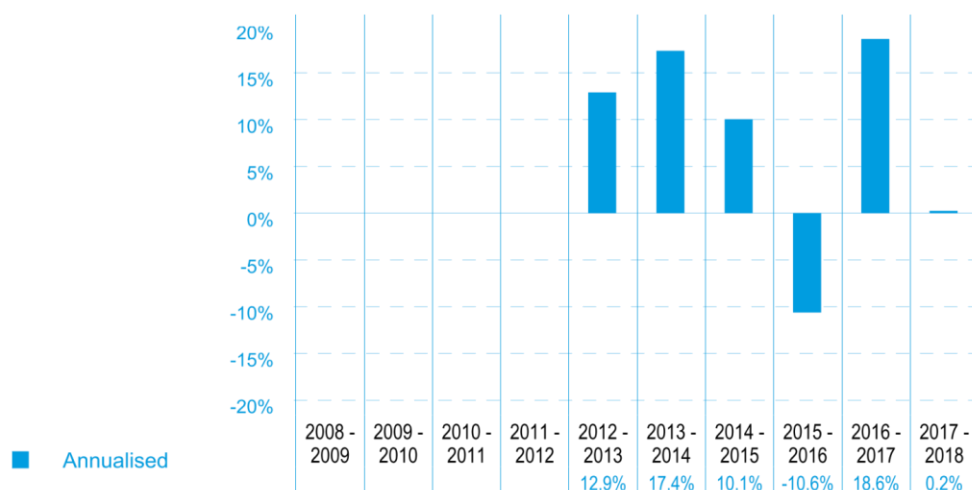
$i = 1 \dots N$

from which  $C = C_0 * \dots * C_N$ .

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

## Institutional B Shares

BE6228923684  
KBC Eco Fund Climate Change Institutional B Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6228923684	EUR	0.24%		2.05%		6.54%				25/11/2011	10.25%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
 Return on date D over a period of X years :  

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1 / X} - 1$$
 where Y = D-X  
 Return on date D since the start date S of the unit:  

$$[\text{NIW}(D) / \text{NIW}(S)]^{1 / F} - 1$$
 where F = 1 if the unit has existed for less than one year on date D  
 where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6 COSTS

### Ongoing Charges: \*

Classic Shares Distribution: 1.860%

Classic Shares Capitalization: 1.842%

Institutional B Shares Capitalization: 1.796%

\* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

### EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period:	CSA Credits in EUR accrued during the period:	Percentage
	1-09-17 - 28-02-18	1-09-17 - 28-02-18	
CITI	649	255	39,26%
CSFBSAS	1.297	518	39,92%
DEUTSCHE	15	4	28,57%
EQ CSA GOLDMAN SACHS INTERNATIONAL	293	117	40,00%
HSBC	110	44	40,00%
INSTINET	188	75	40,00%
MACQUARIE	719	287	40,00%
MERRILL	403	159	39,43%
MORGAN STANLEY	42	12	28,57%
SOCGEN	42	12	28,57%
UBSWDR	188	75	40,00%

### FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.



## 2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1844 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

### Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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## 2. Information on KBC Eco Fund Impact Investing

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### Distribution

Launch date:	29 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### capitalisation shares

Launch date:	29 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

##### Sub-fund's investment policy

###### *Permitted asset classes*

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

###### *Restrictions of the investment policy*

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

###### *Permitted derivatives transactions*

**Derivatives may be used to achieve the investment objectives as well as to hedge in risks.**

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives.** Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. **Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**

**Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk.** Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. **As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

At least 75% of the assets are invested in the shares of companies worldwide that contribute to sustainable development as described by the Brundtland Commission already in 1987: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". As such sustainable development ties together the concern for the carrying capacity of natural systems with the social and economic challenges faced by humanity. It is built on the interaction of three pillars:

- social development
- economic development
- environmental protection

The investment philosophy is based on the concept of impact investing. These are investments made into shares of companies with the intention to generate social and environmental impact alongside a financial return via their offering of products and/or services.

The companies are screened and selected by KBC Asset Management's Investment Research Department, in co-operation with an independent external board. Companies that via their offering of products and/or services have a positive impact on a sustainability/impact theme are potential candidates for inclusion. The impact a company has on the theme via its core business will be measured and evaluated on a regular basis. The selected companies must comply with all SRI exclusion criteria applicable to general SRI funds offered by KBC Asset Management.

KBC Asset Management is co-operating with an independent external board of experts to assure the credibility of the sustainability screening and to oversee the quality of the methods used and the research carried out by KBC Asset Management

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

### **Securities Financing Transactions (SFTs)**

**The sub-fund may not lend any financial instruments.**

### **General strategy for hedging the exchange risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, that is recognised and that is open to the public or, that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

### **Social, ethical and environmental aspects**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## **2.1.4. Financial portfolio management**

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

## **2.1.5. Distributors**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

### **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.

**2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR**

In line with the defined strategy, the fund invests in a selection of shares issued by companies and organizations with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return.

**2.1.8 FUTURE POLICY**

In line with the defined strategy, the fund will continue to invest in a selection of shares issued by companies and organizations with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return.

**2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

## 2.2 BALANCE SHEET

<b>Balance sheet layout</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fundt)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund )</small>
<b>TOTAL NET ASSETS</b>	85.660.450,51	50.386.920,72
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
C. Shares and similar instruments		
a) Shares	85.995.843,70	50.129.680,73
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable		41.716,63
B. Payables		
a) Accounts payable (-)		-121.374,68
c) Borrowings (-)	-346.775,25	
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	126.151,71	381.722,96
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward		32.940,18
B. Accrued income	17.384,16	
C. Accrued expense (-)	-132.153,81	-77.765,10
<b>TOTAL SHAREHOLDERS' EQUITY</b>	85.660.450,51	50.386.920,72
<b>A. Capital</b>	80.126.387,43	47.038.415,28
<b>B. Income equalization</b>	34.755,14	6.117,26
<b>D. Result of the period</b>	5.499.307,94	3.342.388,18



## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fund)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	6.385.740,09	2.866.758,44
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-429.978,25	763.878,24
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	3.960.214,01	723.095,79
Unrealised gains on investments	3.820.417,46	2.710.370,22
Realised losses on investments	-270.008,74	-528.976,91
Unrealised losses on investments	-1.554.860,89	726.147,58
<b>II. Investment income and expenses</b>		
A. Dividends	281.961,52	141.394,13
B. Interests		
b) Cash at bank and in hand and deposits	1.232,83	34,10
C. Interest on borrowings (-)	-986,29	-355,24
F. Other investment income	7.141,50	
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-41.509,49	-8.779,57
B. Financial expenses (-)	-91,97	-1.076,71
C. Custodian's fee (-)	-31.242,32	-15.469,20
D. Manager's fee (-)		
a) Financial management	-571.680,27	-345.859,21
b) Administration and accounting management	-38.112,05	-23.057,16
E. Administrative expenses (-)	-995,56	-2,38
F. Formation and organisation expenses (-)	-3.432,15	-3.617,70
G. Remuneration, social security charges and pension	-886,44	-871,93
H. Services and sundry goods (-)	-5.354,92	-4.200,46
J. Taxes	-42.583,47	-25.903,35
K. Other expenses (-)	-9.914,82	-483,82
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-456.453,94	-288.248,48
<b>V. Profit (loss) on ordinary activities before tax</b>	5.499.307,94	3.342.388,18
<b>VII. Result of the period</b>	5.499.307,94	3.342.388,18

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND IMPACT INVESTING

Name	Quantity on 28/02/2018	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Belgium</u>							
ABLYNX -	35.101,00	EUR	43,760	1.536.019,76		1,79	1,79
BIOCARTIS NV -	131.914,00	EUR	13,040	1.720.158,56		2,00	2,01
CARE PROPERTIES INVEST -	54.601,00	EUR	18,100	988.278,10		1,15	1,15
UMICORE -	53.928,00	EUR	46,520	2.508.730,56		2,92	2,93
WAREHOUSE DISTR. DE PAUW -	26.673,00	EUR	97,800	2.608.619,40		3,03	3,05
<u>Brazil</u>							
KROTON EDUCACIONAL SA -	378.500,00	BRL	15,500	1.480.623,87		1,72	1,73
<u>Denmark</u>							
BAVARIAN NORDIC A/S -	49.780,00	DKK	246,700	1.649.371,58		1,92	1,93
NOVO NORDISK A/S "B"	51.695,00	DKK	316,600	2.198.132,75		2,56	2,57
VESTAS WINDS SYSTEMS -	24.226,00	DKK	443,600	1.443.336,91		1,68	1,69
<u>Finland</u>							
RAISIO GROUP (HEL) 'V'	463.818,00	EUR	3,925	1.820.485,65		2,12	2,13
<u>France</u>							
ESSILOR (PAR)	21.434,00	EUR	107,850	2.311.656,90		2,69	2,70
<u>India</u>							
JAIN IRRIGATION SYSTEMS LTD -	869.390,00	INR	116,950	1.279.647,51		1,49	1,49
SHRIRAM CITY UNION FINANCE LTD -	73.733,00	INR	2.020,600	1.875.071,11		2,18	2,19
<u>Ireland</u>							
KINGSPAN GROUP PLC -	1.676,00	EUR	34,800	58.324,80		0,07	0,07
KINGSPAN GROUP PLC -	50.979,00	EUR	34,880	1.778.147,52		2,07	2,08
<u>Japan</u>							
FANUC CORP -	9.500,00	JPY	27.310,000	1.993.540,94		2,32	2,33
<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	41.304,00	SEK	554,500	2.266.418,75		2,64	2,65
<u>Netherlands</u>							
CORBION NV (AMS)NRC	97.941,00	EUR	25,520	2.499.454,32		2,91	2,92
KONINKLIJKE D.S.M. NV (AMS)	29.648,00	EUR	85,140	2.524.230,72		2,94	2,95
PHILIPS LIGHTING NV -	61.205,00	EUR	32,560	1.992.834,80		2,32	2,33
SIF HOLDING NV -	85.218,00	EUR	16,260	1.385.644,68		1,61	1,62
WESSANEN (AMS)	162.165,00	EUR	16,080	2.607.613,20		3,03	3,04
<u>New Zealand</u>							
A2 MILK CO LTD -	360.719,00	AUD	12,230	2.818.549,30		3,28	3,29
<u>Philippines</u>							
MANILA WATER CO -	4.554.600,00	PHP	26,000	1.864.306,02		2,17	2,18

<u>Spain</u>							
CONSTRUCCIONES Y AUXILIAR DE F -	56.261,00	EUR	39,600	2.227.935,60		2,59	2,60
<u>Sweden</u>							
DORO AB -	134.888,00	SEK	42,000	560.620,66		0,65	0,65
<u>U.K.</u>							
CAMBIAN GROUP PLC -	727.602,00	GBP	1,938	1.592.965,07		1,85	1,86
DIALIGHT PLC -	188.950,00	GBP	5,780	1.233.767,51		1,44	1,44
DS SMITH PLC -	396.288,00	GBP	4,796	2.147.082,30		2,50	2,51
POLYPIPE GROUP PLC -	431.396,00	GBP	3,904	1.902.586,97		2,21	2,22
PURECIRCLE LTD -	371.508,00	GBP	4,250	1.783.674,88		2,07	2,08
UNITE GROUP PLC -	276.325,00	GBP	7,615	2.377.106,73		2,76	2,78
3IGROUP -	187.400,00	GBP	9,396	1.989.166,74		2,31	2,32
<u>U.S.A.</u>							
BIOMARIN PHARMACEUTICAL INC -	23.903,00	USD	81,170	1.590.789,58		1,85	1,86
BLUEBIRD BIO INC -	7.613,00	USD	201,000	1.254.632,89		1,46	1,47
BRIGHT HORIZONS FAMILY SOLUTIO -	33.246,00	USD	95,570	2.605.108,20		3,03	3,04
CHEGG INC -	119.948,00	USD	19,910	1.958.073,78		2,28	2,29
EQUINIX INC -	6.447,00	USD	392,100	2.072.618,13		2,41	2,42
GILEAD SCIENCES -	26.433,00	USD	78,730	1.706.284,66		1,98	1,99
ITRON INC -	34.806,00	USD	70,000	1.997.638,67		2,32	2,33
LKQ CORP -	75.641,00	USD	39,480	2.448.494,80		2,85	2,86
ORMAT TECHNOLOGIES INC -	49.790,00	USD	62,580	2.554.715,04		2,97	2,98
STEELCASE INC -A-	170.581,00	USD	13,650	1.909.097,40		2,22	2,23
TRIMBLE INC -	58.398,00	USD	37,930	1.816.124,41		2,11	2,12
VMWARE INC CLASS A -	17.961,00	USD	131,750	1.940.197,39		2,26	2,27
3-D SYSTEMS-DELAWARE -	143.529,00	USD	9,500	1.117.964,58		1,30	1,31
Total shares				85.995.843,70		100,00	100,39
<b>TOTAL SECURITIES PORTFOLIO</b>				<b>85.995.843,70</b>		<b>100,00</b>	<b>100,39</b>
<b>CASH AT BANK AND IN HAND</b>							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	8.125,80	AUD	1,000	5.191,54			0,01
KBC GROUP CHF	102,02	CHF	1,000	88,51			
KBC GROUP DKK	137.696,16	DKK	1,000	18.493,38			0,02
KBC GROUP EURO	-346.775,25	EUR	1,000	-346.775,25			-0,41
KBC GROUP GBP	80.414,05	GBP	1,000	90.842,80			0,11
KBC GROUP HKD	5.799,24	HKD	1,000	607,63			0,00
KBC GROUP JPY	900.462,00	JPY	1,000	6.919,03			0,01
KBC GROUP NOK	2.214,35	NOK	1,000	230,19			
KBC GROUP SEK	5.081,95	SEK	1,000	502,89			0,00
KBC GROUP USD	3.995,26	USD	1,000	3.275,74			0,00
Total demand accounts				-220.623,54			-0,26
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>-220.623,54</b>			<b>-0,26</b>
<b>OTHER</b>							
Interest receivable		EUR		17.384,16			0,02
Expenses payable		EUR		-132.153,81			-0,15
<b>TOTAL OTHER</b>				<b>-114.769,65</b>			<b>-0,13</b>
<b>TOTAL NET ASSETS</b>				<b>85.660.450,51</b>			<b>100,00</b>

**Geographic breakdown (as a % of securities portfolio)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
Belgium	5,62	8,18	7,10	10,89
Brazil	2,07	1,93	2,76	1,72
Denmark	8,53	6,28	8,13	6,15
Spain	2,63	2,34	1,76	2,59
Finland	5,39	4,11	1,53	2,12
France	4,76	5,67	3,04	2,69
U.K.	14,40	12,44	15,69	15,15
India	5,01	4,57	4,03	3,67
Ireland	2,57	2,60	2,61	2,14
Japan	0,00	0,00	0,00	2,32
Luxembourg	1,61	2,34	2,88	2,64
Netherlands	8,73	8,09	11,92	12,80
Norway	2,52	2,39	0,00	0,00
New Zealand	0,00	2,12	2,63	3,28
Philippines	2,75	2,52	1,71	2,17
Sweden	2,05	1,82	1,21	0,65
U.S.A.	31,36	32,60	33,00	29,02
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Sector breakdown (as a % of securities portfolio)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
Cyclicals	27,00	22,40	25,08	25,09
Consum(cycl)	17,48	17,03	14,48	15,69
Cons.goods	15,08	15,31	13,48	16,25
Pharma	12,20	14,08	16,20	14,24
Financials	5,20	4,65	4,72	4,49
Technology	10,08	11,08	10,10	7,75
Telecomm.	1,61	2,34	2,88	2,64
Utilities	5,22	5,38	4,26	4,49
Real est.	6,13	7,73	8,80	9,36
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Currency breakdown (as a % of net assets)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
AUD	0,00	2,11	2,55	3,29
BRL	2,05	1,92	2,67	1,73
DKK	8,55	6,24	7,89	6,19
EUR	30,12	31,35	27,74	32,90
GBP	14,32	12,37	15,22	15,29
INR	4,97	4,54	3,90	3,68
JPY	0,00	0,00	0,00	2,33
NOK	2,51	2,38	-0,01	0,00
PHP	2,73	2,51	1,65	2,17
SEK	3,60	4,15	3,95	3,30
USD	31,15	32,43	34,44	29,12
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

## 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC ECO FUND IMPACT INVESTING (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	25.790.095,73	25.790.095,73
<b>Sales</b>	11.627.943,98	11.627.943,98
<b>Total 1</b>	37.418.039,71	37.418.039,71
<b>Subscriptions</b>	22.306.434,19	22.306.434,19
<b>Redemptions</b>	9.845.137,60	9.845.137,60
<b>Total 2</b>	32.151.571,79	32.151.571,79
<b>Monthly average of total assets</b>	76.637.882,34	76.637.882,34
<b>Turnover rate</b>	6,87 %	6,87 %

	1st half of year	Year
<b>Purchases</b>	25.790.095,73	25.790.095,73
<b>Sales</b>	11.627.943,98	11.627.943,98
<b>Total 1</b>	37.418.039,71	37.418.039,71
<b>Subscriptions</b>	22.306.434,19	22.306.434,19
<b>Redemptions</b>	9.845.137,60	9.845.137,60
<b>Total 2</b>	32.151.571,79	32.151.571,79
<b>Monthly average of total assets</b>	78.827.539,60	78.827.539,60
<b>Corrected turnover rate</b>	6,68 %	6,68 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

**2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS**

Nil

**2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE**

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	25.369,58	16.415,84	3.323,44	4.529,00	54.305,69	39.879,90	94.185,59
2017 - 08*	27.086,40	22.562,14	8.811,26	8.907,97	72.580,84	53.534,07	126.114,90
2018 - 02*	22.648,81	16.455,00	13.785,31	2.638,50	81.444,33	67.350,57	148.794,90

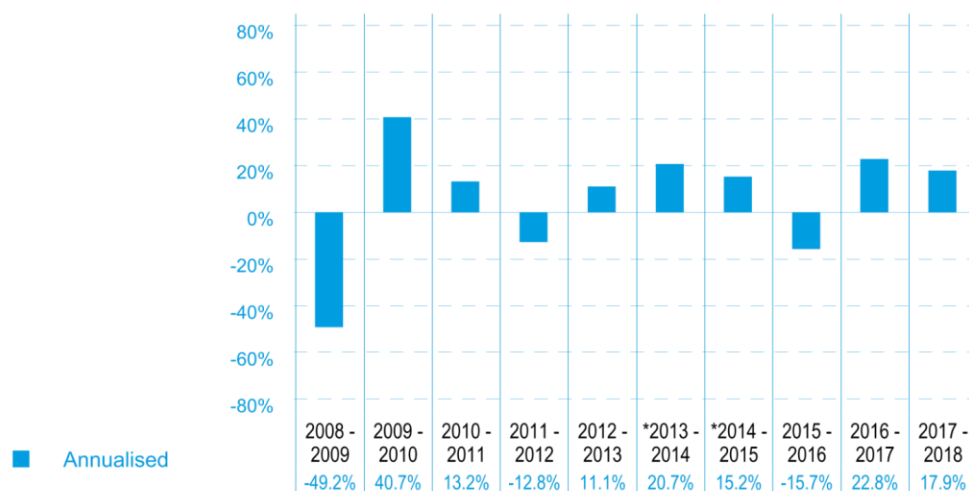
Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	12.217.663,19	5.943.090,58	1.588.635,35	1.686.989,35
2017 - 08*	15.061.009,47	9.913.428,04	4.816.771,01	3.755.582,13
2018 - 02*	14.318.689,80	7.994.246,32	8.571.243,01	1.286.265,48

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2016 - 08*	43.637.606,70	509,53	400,38
2017 - 08*	68.171.889,04	597,31	463,60
2018 - 02*	186.606.160,51	644,53	492,46

\* The financial year does not coincide with the calendar year.

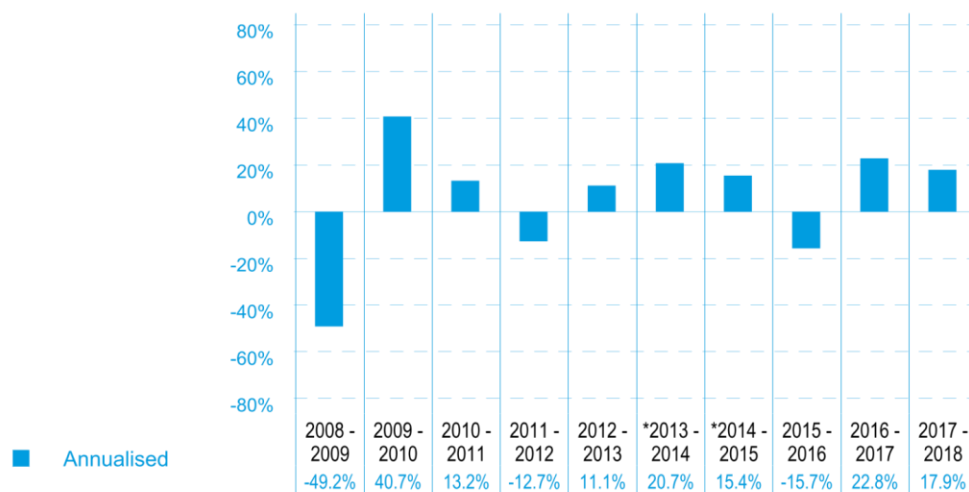
## 2.4.5. Performance figures

BE0175717504  
KBC Eco Fund Impact Investing DIS  
Annual performance on 28/02/2018 (in EUR)



\* These performances were achieved under circumstances that no longer apply.

BE0175718510  
KBC Eco Fund Impact Investing CAP  
Annual performance on 28/02/2018 (in EUR)



\* These performances were achieved under circumstances that no longer apply.

Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0175717504	EUR	17.86%		6.84%		11.15%		2.89%		29/12/2000	1.47%
CAP	BE0175718510	EUR	17.89%		6.84%		11.20%		2.93%		29/12/2000	1.49%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

i = 1 ... N

from which C = C<sub>0</sub> \* ... \* C<sub>N</sub>.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted to return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the redemption of units.
- These are the performance figures for capitalisation and distribution shares



## 2.4.6 COSTS

### Ongoing charges: \*

Distribution: 1.863% Capitalization: 1.841%

\* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

### EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-09-17 - 28-02-18	CSA Credits in EUR accrued during the period: 1-09-17 - 28-02-18	Percentage
CITI	2.608	1.035	39,70%
CSFBSAS	183	73	40,00%
DEUTSCHE	271	77	28,57%
EQ CSA GOLDMAN SACHS INTERNATIONAL	1.741	697	40,00%
HSBC	3.297	904	27,41%
INSTINET	1.666	644	38,64%
MACQUARIE	3.459	1.374	39,72%
MERRILL	758	261	34,42%
MORGAN STANLEY	617	206	33,33%
UBSWDR	1.274	484	38,02%

### FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

## 2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1844 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

### Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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## 2. Information on KBC Eco Fund CSOB Water

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### Distribution

Launch date:	31 July 2007
Initial subscription price:	1 000 CZK
Currency:	CZK

##### capitalisation shares

Launch date:	31 July 2007
Initial subscription price:	1 000 CZK
Currency:	CZK

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

##### Sub-fund's investment policy

###### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

###### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

###### Permitted derivatives transactions

**Derivatives may be used to achieve the investment objectives as well as to hedge in risks.**

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives.** Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. **Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**



**Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk.** Furthermore, using derivatives does not affect the portfolio allocation across regions, industry sectors or themes. **As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease the capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

The sub-fund invests at least 75% of its assets in companies that operate on a sustainable basis and that generate a substantial proportion of their turnover in the water sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade in arms and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform sustainability screening, based on new trends in society.

Screening is carried out by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the Environmental Advisory Committee.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

### **Securities Financing Transactions (SFTs)**

**The sub-fund may not lend any financial instruments.**

### **General strategy for hedging the exchange risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to currencies traded on a regulated market that operates regularly, that is recognised and that is open to the public or, alternatively, traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, may also sell currencies forward or exchange rate derivatives in private transactions with prime financial institutions specialising in such transactions.

### **Social, ethical and environmental aspects**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose production over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and landmines and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and should at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening is based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## **2.1.4. Financial portfolio management**

The intellectual management, with the exception of the sustainability screening described in the prospectus, the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects have been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 ND26 Ireland.

## **2.1.5. Distributors**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

## **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.

**2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

**2.1.8 FUTURE POLICY**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

**2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

## 2.2 BALANCE SHEET

<b>Balance sheet layout</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fund)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>
<b>TOTAL NET ASSETS</b>	912.096.201,36	665.843.540,62
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	14.028.650,08	
C. Shares and similar instruments		
a) Shares	902.381.632,31	655.611.841,71
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	8.588.159,88	-5.868.858,53
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	17.803.021,77	945.717,52
B. Payables		
a) Accounts payable (-)	-22.769.506,05	-946.155,00
c) Borrowings (-)	-26.405.880,11	-878.740,18
d) Collateral (-)	-14.028.650,08	
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	32.284.912,51	16.989.611,79
<b>VI. Accruals and deferrals</b>		
B. Accrued income	802.581,77	373.816,93
C. Accrued expense (-)	-588.720,72	-383.693,62
<b>TOTAL SHAREHOLDERS' EQUITY</b>	912.096.201,36	665.843.540,62
A. Capital	895.521.743,28	622.171.360,79
B. Income equalization	586.405,15	268.343,06
D. Result of the period	15.988.052,93	43.403.836,78

### Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	14.028.650,08	
<b>III Notional amounts of futures and forward contracts</b>		
III.A Purchased futures and forward contracts	723.626.587,69	508.887.061,01
III.B Written futures and forward contracts	-75.949.614,58	-20.326.341,53



## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fund)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	27.739.600,29	51.725.317,51
G. Receivables, deposits, cash at bank and in hand and payables	-0,44	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	1.289.051,36	-1.452.397,30
b) Other foreign exchange positions and transactions	-9.545.326,29	-2.995.133,26
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	45.136.019,31	16.210.328,80
Unrealised gains on investments	17.740.903,80	112.053.261,17
Realised losses on investments	-9.353.163,43	-19.059.160,87
Unrealised losses on investments	-34.040.433,88	-61.926.642,15
<b>II. Investment income and expenses</b>		
A. Dividends	6.537.319,63	3.303.122,75
B. Interests		
b) Cash at bank and in hand and deposits	9.652,84	2.798,06
C. Interest on borrowings (-)	-20.348,58	-4.830,19
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-395.691,15	-112.950,91
B. Financial expenses (-)	-1.281,98	-28.290,72
C. Custodian's fee (-)	-357.401,86	-626.962,13
D. Manager's fee (-)		
a) Financial management	-8.592.788,18	-5.903.987,70
b) Administration and accounting management	-429.640,08	-295.199,91
F. Formation and organisation expenses (-)	-37.463,92	-44.771,04
G. Remuneration, social security charges and pension	-9.845,26	-11.133,54
H. Services and sundry goods (-)	-126.797,47	-84.564,63
J. Taxes	-8.541,63	-12.413,38
K. Other expenses (-)	-62.445,23	-54.766,84
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-3.495.271,28	-3.873.950,19
<b>V. Profit (loss) on ordinary activities before tax</b>	15.988.052,93	43.403.836,77
<b>VII. Result of the period</b>	15.988.052,93	43.403.836,77

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC Eco FUND CSOB WATER

Name	Quantity on 28/02/2018	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	50.887,00	AUD	12,050	9.954.516,64		1,09	1,09
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	23.730,00	USD	12,550	6.204.436,88		0,68	0,68
<u>Brazil</u>							
CIA DE SANEAMENTO DE MINAS GER -	38.600,00	BRL	44,050	10.903.765,52		1,20	1,20
CIA SANEAMENTO BASICO -	40.300,00	BRL	37,650	9.730.010,59		1,07	1,07
<u>Canada</u>							
ENERCARE INC -	52.280,00	CAD	18,370	15.614.836,98		1,71	1,71
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	2.352.000,00	HKD	1,370	8.578.651,47		0,94	0,94
<u>Chile</u>							
AGUAS ANDINAS SA -	1.142.172,00	CLP	397,530	15.906.926,22		2,69	1,74
INVERSIONES AGUAS METROPOLITAN -	322.353,00	CLP	1.118,100	12.626.913,71		1,39	1,38
<u>China</u>							
OZNER WATER INTERNATIONAL HOLD -	1.119.000,00	HKD	1,920	5.719.952,92		0,63	0,63
TIANJIN CAPITAL ENVIRONMENTAL -	524.000,00	HKD	4,560	6.361.466,86		0,70	0,70
<u>Finland</u>							
KEMIRA (HEL)	42.679,00	EUR	11,240	12.189.241,11		1,34	1,34
UPONOR OYJ -	24.933,00	EUR	14,640	9.274.953,38		1,02	1,02
<u>France</u>							
SUEZ -	51.537,00	EUR	11,325	14.830.420,55		1,63	1,63
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	730.000,00	HKD	5,100	9.911.837,55		1,09	1,09
CHINA EVERBRIGHT INTL -	354.000,00	HKD	12,120	11.422.653,98		1,25	1,25
CHINA LIANSU GROUP HOLDINGS LT -	684.000,00	HKD	5,150	9.378.307,53		1,03	1,03
CHINA WATER AFFAIRS GROUP LTD -	1.880.000,00	HKD	1,620	8.108.378,31		0,89	0,89
CHINA WATER AFFAIRS GROUP LTD -	494.000,00	HKD	6,910	9.087.954,32		1,00	1,00
<u>India</u>							
GAYATRI PROJECTS LTD -	8.849,00	INR	211,700	599.082,54		0,07	0,07
JAIN IRRIGATION SYSTEMS LTD -	182.213,00	INR	116,950	6.814.769,84		0,75	0,75
NCC LTD/INDIA -	277.299,00	INR	131,700	11.679.000,75		1,28	1,28
SPML INFRA LTD -	84.490,00	INR	111,900	3.023.479,33		0,33	0,33
THERMAX LTD -	24.368,00	INR	1.154,550	8.997.135,05		0,99	0,99
<u>Ireland</u>							
PENTAIR PLC -	7.078,00	USD	68,690	10.128.962,93		1,11	1,11

<u>Japan</u>							
EBARA CORP -	13.000,00	JPY	4.000,000	10.152.647,71		1,11	1,11
KUBOTA CORP -	26.100,00	JPY	1.947,000	9.921.616,40		1,09	1,09
KURITA WATER INDUSTR. -	17.400,00	JPY	3.295,000	11.193.879,83		1,23	1,23
NOMURA MICRO SCIENCE CO LTD -	29.700,00	JPY	1.149,000	6.662.733,63		0,73	0,73
ORGANO CORPORATION -	13.000,00	JPY	3.430,000	8.705.895,41		0,96	0,95
TSUKISHIMA KIKAI CO LTD -	30.000,00	JPY	1.535,000	8.990.950,52		0,99	0,99
TSURUMI MANUFACTURING CO LTD -	17.000,00	JPY	1.989,000	6.601.759,17		0,73	0,72
<u>Jersey/The Channel Islands</u>							
FERGUSON PLC -	6.676,00	GBP	51,460	9.861.451,34		1,08	1,08
<u>Netherlands</u>							
AALBERTS INDUSTRIES (AMS)	12.268,00	EUR	41,270	12.864.839,07		1,41	1,41
ARCADIS N.V. (AMS)	20.700,00	EUR	19,720	10.372.259,59		1,14	1,14
<u>Philippines</u>							
MANILA WATER CO -	677.600,00	PHP	26,000	7.047.522,60		0,77	0,77
METRO PACIFIC INVESTMENTS CORP -	4.580.000,00	PHP	5,630	10.314.866,35		1,13	1,13
<u>Singapore</u>							
CITIC ENVIROTECH LTD -	447.400,00	SGD	0,730	5.143.667,78		0,57	0,56
MOYA HOLDINGS ASIA LTD -	4.351.000,00	SGD	0,093	6.372.738,56		0,70	0,70
SEMBICORP INDUSTRIES LTD -	228.000,00	SGD	3,200	11.490.499,17		1,26	1,26
SIIC ENVIRONMENT HOLDINGS LTD -	959.800,00	SGD	0,515	7.784.702,95		0,86	0,85
SOUND GLOBAL LTD -	374.000,00	HKD	2,086	2.077.050,45		0,23	0,23
<u>South Korea</u>							
COWAY CO LTD -	6.068,00	KRW	86.600,000	10.109.646,92		1,11	1,11
<u>Spain</u>							
FLUIDRA SA -	35.378,00	EUR	11,900	10.697.353,82		1,17	1,17
<u>Sweden</u>							
ALFA LAVAL -	20.585,00	SEK	200,300	10.367.509,24		1,14	1,14
SWECO AB -	21.515,00	SEK	180,100	9.743.111,52		1,07	1,07
<u>Switzerland</u>							
GEBERIT AG -	1.497,00	CHF	428,200	14.130.812,56		1,55	1,55
GEORG.FISCHER (NAAM)	386,00	CHF	1.384,000	11.776.658,11		1,29	1,29
SULZER FRERES (NOM)	3.927,00	CHF	126,400	10.942.250,37		1,20	1,20
<u>Thailand</u>							
TTW PCL -	1.068.300,00	THB	13,300	9.405.643,10		1,03	1,03
<u>U.K.</u>							
AMIAD FILTRATION SYSTEMS LTD -	60.000,00	GBP	1,725	2.970.948,17		0,33	0,33
COSTAIN GROUP PLC -	84.256,00	GBP	4,425	10.702.095,91		1,18	1,17
HALMA PLC -	33.252,00	GBP	12,050	11.501.634,04		1,26	1,26
PENNON GROUP PLC -	59.722,00	GBP	6,086	10.433.283,71		1,15	1,14
POLYPIPE GROUP PLC -	94.996,00	GBP	3,904	10.645.592,89		1,17	1,17
ROTORK PLC -	122.262,00	GBP	2,950	10.353.048,25		1,14	1,14
RPS GROUP -	97.493,00	GBP	2,265	6.338.644,09		0,70	0,70
SEVERN TRENT -	22.387,00	GBP	17,075	10.972.645,23		1,21	1,20
UNITED UTILITIES WATER PLC -	52.203,00	GBP	6,662	9.982.856,22		1,10	1,09
WEIR GROUP PLC (THE) -	16.122,00	GBP	20,360	9.422.180,43		1,03	1,03
<u>U.S.A.</u>							
ADVANCED DRAINAGE SYSTEMS INC -	15.256,00	USD	25,550	8.120.681,76		0,89	0,89
AGILENT TECHNOLOGIES -	7.103,00	USD	68,590	10.149.941,16		1,11	1,11
AMERICAN STATES WATER CO -	9.438,00	USD	53,120	10.444.771,57		1,15	1,15

AMERICAN WATER WORKS INC. -	6.072,00	USD	79,360	10.039.089,57		1,10	1,10
AO SMITH CORP -	7.674,00	USD	64,190	10.262.426,92		1,13	1,13
AQUA AMERICA INC -	16.450,00	USD	34,190	11.717.255,77		1,29	1,29
ARTESIAN RESOURCES CORP -A-	8.780,00	USD	33,090	6.052.742,39		0,66	0,66
BADGER METER INC -	9.770,00	USD	47,600	9.688.631,17		1,06	1,06
CADIZ INC -	24.057,00	USD	13,850	6.941.481,15		0,76	0,76
CALGON CARBON CORP -	28.190,00	USD	21,250	12.480.009,54		1,37	1,37
CALIFORNIA WATER SERVICE GROUP -	12.354,00	USD	37,950	9.767.429,48		1,07	1,07
CONNECTICUT WATER SVC INC -	8.166,00	USD	51,630	8.783.597,12		0,96	0,96
DANAHER CORPORATION -	5.283,00	USD	97,780	10.761.964,39		1,18	1,18
ECOLAB, INC. -	4.072,00	USD	130,450	11.066.562,97		1,22	1,21
FLOWSERVE CORP -	8.923,00	USD	42,350	7.872.727,41		0,86	0,86
FRANKLIN ELECTRIC CO INC -	10.095,00	USD	39,150	8.233.775,03		0,90	0,90
GORMAN-RUPP CO/THE -	12.799,00	USD	26,680	7.114.145,96		0,78	0,78
HD SUPPLY HOLDINGS INC -	11.043,00	USD	36,250	8.339.806,80		0,92	0,91
IDEX CORPORATION -	3.572,00	USD	136,800	10.180.250,26		1,12	1,12
INSITUFORM TECHN. CORP. -	19.058,00	USD	22,960	9.116.121,68		1,00	1,00
ITRON INC -	6.821,00	USD	70,000	9.947.340,78		1,09	1,09
LAYNE CHRISTENSEN COMPANY -	24.850,00	USD	15,500	8.024.518,79		0,88	0,88
LINDSAY MANUFACTURING CO -	4.725,00	USD	88,440	8.705.855,49		0,96	0,95
MIDDLESEX WATER CO -	13.502,00	USD	35,440	9.969.025,89		1,09	1,09
MUELLER WATER PRODUCTS INC -A-	42.905,00	USD	11,000	9.832.444,38		1,08	1,08
NORTHWEST PIPE COMPANY -	16.731,00	USD	17,530	6.110.330,79		0,67	0,67
PICO HOLDINGS INC -	32.535,00	USD	12,250	8.303.244,12		0,91	0,91
PURE CYCLE CORP -	36.540,00	USD	7,950	6.051.967,38		0,66	0,66
REXNORD HOLDINGS INC -	15.738,00	USD	28,980	9.501.864,42		1,04	1,04
ROPER INDUSTRIES INC -	1.949,00	USD	275,090	11.169.855,36		1,23	1,23
SJW GROUP -	8.048,00	USD	52,940	8.876.317,16		0,97	0,97
SPX CORPORATION -	13.796,00	USD	31,230	8.976.066,82		0,99	0,98
STANTEC INC -	22.493,00	CAD	32,210	11.779.607,71		1,29	1,29
TETRA TECH INC. -	10.187,00	USD	48,950	10.388.669,00		1,14	1,14
VALMONT INDUSTRIES -	3.271,00	USD	147,100	10.024.301,58		1,10	1,10
WATTS WATER TECHNOLOGIES INC "A"	5.507,00	USD	75,500	8.662.094,85		0,95	0,95
XYLEM INC/NY -	6.080,00	USD	74,580	9.446.846,64		1,04	1,04
YORK WATER CO -	10.890,00	USD	28,100	6.375.218,98		0,70	0,70
Total shares				902.381.632,31		99,06	98,94
Forward contracts		CZK		8.588.159,88			0,94
TOTAL SECURITIES PORTFOLIO				910.969.792,19		100,00	99,88
COLLATERAL RECEIVED							
<u>Belgium</u>							
COLLATERAL ONTVANGEN	552.102,56	EUR	1,000	14.028.650,08			1,54
TOTAL RECEIVED COLLATERAL				14.028.650,08			1,54
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	10.770,98	AUD	1,000	174.856,39			0,02
KBC GROUP CAD	12.576,70	CAD	1,000	204.484,04			0,02
KBC GROUP CHF	-204,35	CHF	1,000	-4.504,78			
KBC GROUP CZK	-26.401.375,33	CZK	1,000	-26.401.375,33			-2,90
KBC GROUP EURO	338.326,97	EUR	1,000	8.596.719,19			0,94
KBC GROUP GBP	10.993,84	GBP	1,000	315.576,12			0,04
KBC GROUP HKD	935.147,52	HKD	1,000	2.489.667,02			0,27
KBC GROUP JPY	61.530.350,00	JPY	1,000	12.013.383,98			1,32
KBC GROUP MXN	27.031,65	MXN	1,000	29.849,04			0,00

KBC GROUP SEK	2.101,06	SEK	1,000	5.283,01		0,00
KBC GROUP SGD	183.849,23	SGD	1,000	2.895.448,77		0,32
KBC GROUP USD	266.861,64	USD	1,000	5.559.644,95		0,61
Total demand accounts				5.879.032,40		0,65
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>5.879.032,40</b>		<b>0,65</b>
<b>OTHER RECEIVABLES AND PAYABLES</b>						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLE	16.772.019,13	CZK	1,000	16.772.019,13		1,85
KBC GROUP INR TE ONTVANGEN	3.223.949,06	INR	1,000	1.031.002,64		0,11
Total receivables				17.803.021,77		1,95
<b>Payables</b>						
<u>Belgium</u>						
COLLATERAL ONTVANGEN TEGENPOST	-552.102,56	EUR	1,000	-14.028.650,08		-1,54
KBC GROUP BRL PAYABLE	-587.549,18	BRL	1,000	-3.767.797,13		-0,41
KBC GROUP HKD PAYABLE	-862.860,00	HKD	1,000	-2.297.214,11		-0,25
KBC GROUP INR TE BETALEN	-966.598,77	INR	1,000	-309.113,41		-0,03
KBC GROUP JPY PAYABLE	-60.460.450,00	JPY	1,000	-11.804.493,25		-1,29
KBC GROUP PHP TE BETALEN	-4.389.851,99	PHP	1,000	-1.756.061,05		-0,19
KBC GROUP SGD TE BETALEN	-180.000,00	SGD	1,000	-2.834.827,10		-0,31
Payables				-36.798.156,13		-4,03
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>-18.995.134,36</b>		<b>-2,08</b>
<b>OTHER</b>						
Interest receivable		CZK		802.581,77		0,09
Expenses payable		CZK		-588.720,72		-0,07
<b>TOTAL OTHER</b>				<b>213.861,05</b>		<b>0,02</b>
<b>TOTAL NET ASSETS</b>				<b>912.096.201,36</b>		<b>100,00</b>

**Geographic breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Australia	1,18	1,10	1,33	1,09
Belgium	-0,99	-1,31	0,73	0,81
Bermuda	0,89	0,88	0,80	0,68
Brazil	3,18	3,55	2,61	2,27
Canada	2,37	2,44	2,10	1,72
Switzerland	3,56	3,35	4,67	5,16
Chile	0,00	0,00	2,40	3,14
China	0,00	0,00	0,74	1,33
Cayman Islands	0,93	0,85	0,77	0,94
Spain	1,32	1,46	1,41	1,18
Finland	2,35	2,68	2,37	2,36
France	2,83	2,73	2,24	1,63
U.K.	10,52	10,11	9,95	10,26
Hong Kong	4,91	5,13	5,58	5,27
India	1,94	2,07	2,26	3,42
Italy	2,72	2,57	0,00	0,00
Jersey/The Channel Islands	1,88	1,76	1,12	1,08
Japan	3,52	3,24	6,58	6,84
South Korea	1,20	1,12	1,14	1,11
Malaysia	0,86	0,68	0,26	0,00
Netherlands	1,79	2,45	2,43	2,55
Philippines	2,21	2,43	2,32	1,91
Singapore	2,02	2,95	3,92	3,61
Sweden	0,85	1,23	2,28	2,21
Thailand	1,39	1,32	0,99	1,03
U.S.A.	46,57	45,21	39,00	38,40
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Sector breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Cyclicals	42,33	44,30	53,29	54,84
Consum(cycl)	6,14	6,89	7,19	7,46
Financials	0,08	-0,34	2,96	2,86
Technology	4,42	3,98	3,74	3,32
Telecomm.	1,09	0,00	0,00	0,89
Utilities	45,94	45,17	32,82	30,63
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Currency breakdown (as a % of net assets)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
AUD	1,19	1,12	1,36	1,11
BRL	1,74	2,03	1,75	1,85
CAD	0,01	-0,01	0,09	-0,23
CHF	2,69	2,42	-0,07	0,12
CLP	0,00	0,00	2,04	3,13
CZK	85,25	81,95	81,55	86,56
EUR	-0,13	0,34	1,06	0,63
GBP	-0,06	0,26	0,62	-0,34
HKD	6,41	6,39	7,90	7,78
INR	1,93	2,02	2,18	3,50
JPY	0,01	0,10	0,10	-1,48
KRW	1,19	1,09	1,14	1,11
MXN	-0,01	0,00	0,00	0,00
MYR	0,85	0,66	0,34	0,00
PHP	2,19	2,37	2,32	1,71
SEK	0,86	1,21	2,31	2,21
SGD	1,38	2,35	0,14	-0,16
THB	1,38	1,29	0,99	1,03
USD	-6,88	-5,59	-5,82	-8,53
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

#### 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND CSOB WATER (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	212.673.433,38	212.673.433,38
<b>Sales</b>	80.838.220,77	80.838.220,77
<b>Total 1</b>	293.511.654,15	293.511.654,15
<b>Subscriptions</b>	161.465.974,76	161.465.974,76
<b>Redemptions</b>	42.773.020,24	42.773.020,24
<b>Total 2</b>	204.238.995,00	204.238.995,00
<b>Monthly average of total assets</b>	864.620.114,78	864.620.114,78
<b>Turnover rate</b>	10,32 %	10,32 %

	1st half of year	Year
<b>Purchases</b>	212.673.433,38	212.673.433,38
<b>Sales</b>	80.838.220,77	80.838.220,77
<b>Total 1</b>	293.511.654,15	293.511.654,15
<b>Subscriptions</b>	161.465.974,76	161.465.974,76
<b>Redemptions</b>	42.773.020,24	42.773.020,24
<b>Total 2</b>	204.238.995,00	204.238.995,00
<b>Monthly average of total assets</b>	861.123.364,09	861.123.364,09
<b>Corrected turnover rate</b>	10,37 %	10,37 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.



### 2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
COLLATER ONTVANGEN	EUR	552.102,56	14.028.650,08	N/A	28.02.2018
KBC AK-VK CZK-CHF 180406-180112 21.83252	CZK	35.412.349,06	35.412.349,06	N/A	10.01.2018
KBC AK-VK CZK-CAD 180406-180112 17.01183	CZK	31.080.620,72	31.080.620,72	N/A	10.01.2018
KBC AK-VK CZK-SGD 180406-180112 15.93632	CZK	32.733.219,77	32.733.219,77	N/A	10.01.2018
KBC AK-VK CZK-GBP 180406-180112 28.78446	CZK	106.905.514,15	106.905.514,15	N/A	10.01.2018
KBC AK-VK CZK-USD 180406-180112 21.22673	CZK	416.914.203,93	416.914.203,93	N/A	10.01.2018
KBC AK-VK CZK-EUR 180406-180112 25.54777	CZK	73.526.482,06	73.526.482,06	N/A	10.01.2018
KBC AK-VK CZK-USD 180406-180129 20.1897	CZK	27.054.198,00	27.054.198,00	N/A	25.01.2018
KBC VK-AK JPY-CZK 180406-180112 5.229573	JPY	- 389.000.000,00	-75.949.614,58	N/A	10.01.2018

### 2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	58.448,05	0,00	53.626,26	0,00	452.000,02	0,00	452.000,02
2017 - 08*	190.782,22	0,00	52.132,19	0,00	590.650,05	0,00	590.650,05
2018 - 02*	117.146,56	0,00	30.992,67	0,00	676.803,94	0,00	676.803,94

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	65.988.348,57	0,00	60.575.049,29	0,00
2017 - 08*	246.868.675,20	0,00	67.026.057,42	0,00
2018 - 02*	162.238.476,58	0,00	42.959.116,91	0,00

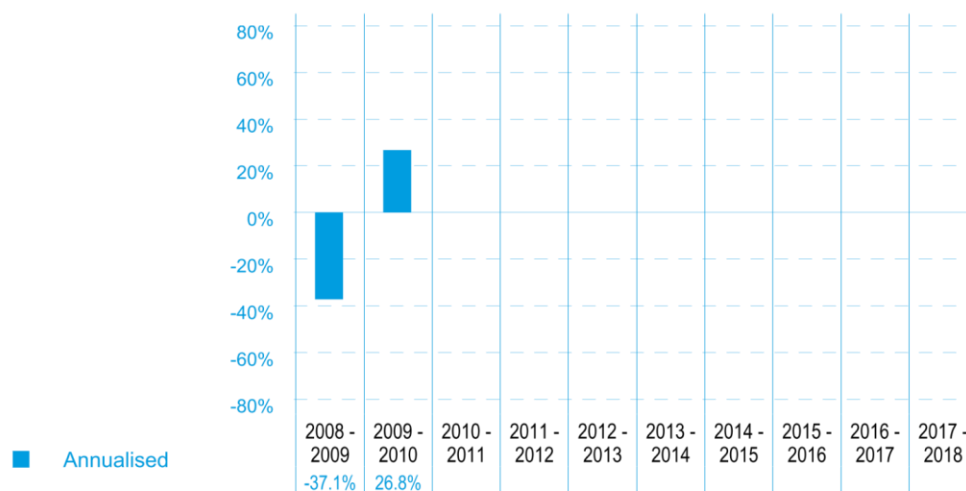
Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2016 - 08*	549.153.893,84	1.214,94	N/A
2017 - 08*	776.828.632,76	1.315,21	N/A
2018 - 02*	912.096.201,36	1.347,65	N/A

\* The financial year does not coincide with the calendar year.

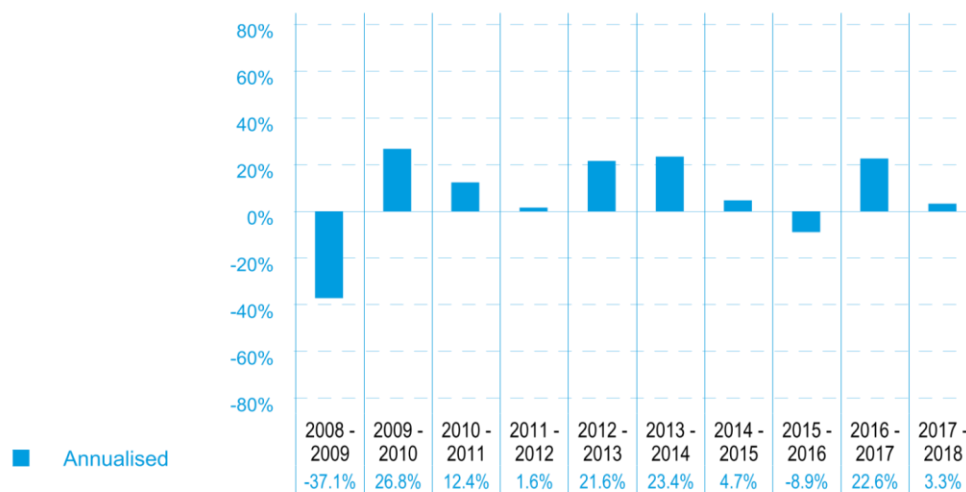
## 2.4.5. Performance figures

BE0947249448  
KBC Eco Fund CSOB Water DIS  
Annual performance on 28/02/2018 (in CZK)

The cumulative returns are shown where they relate to a period of at least one year.

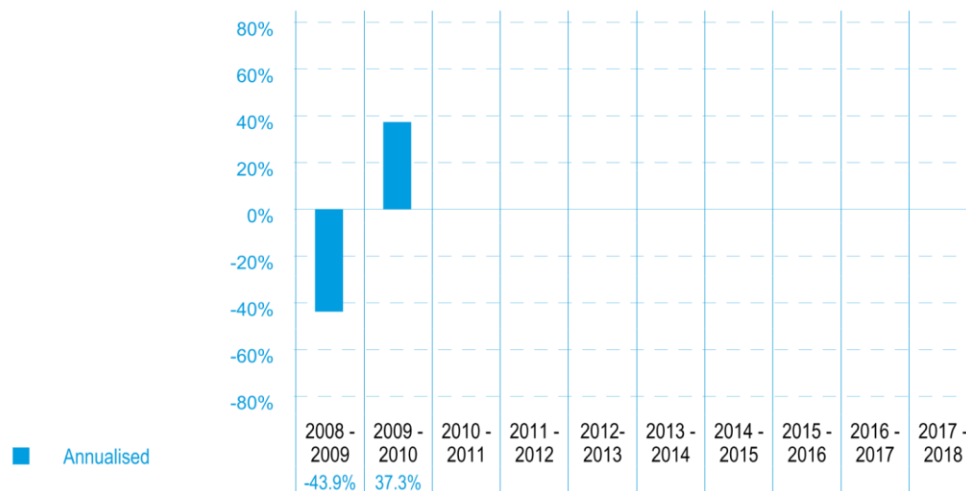


BE0947250453  
KBC Eco Fund CSOB Water CAP  
Annual performance on 28/02/2018 (in CZK)

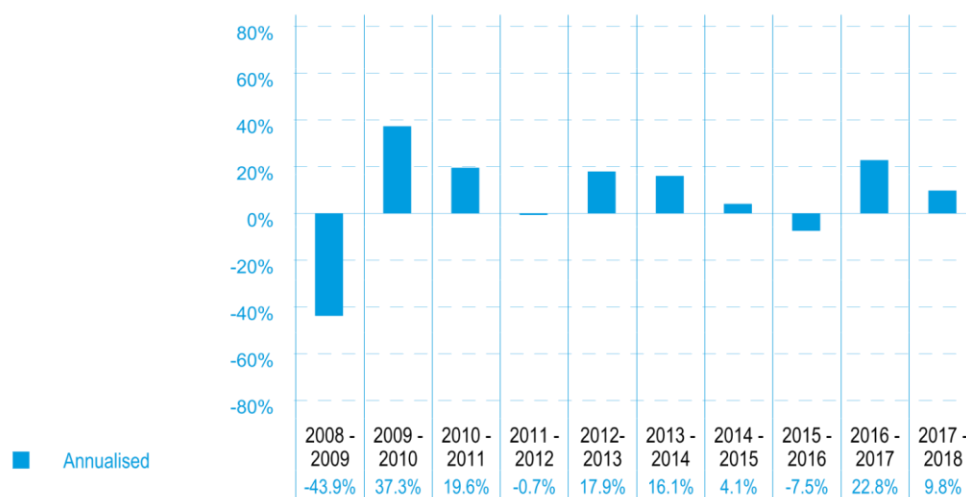


BE0947249448  
KBC Eco Fund CSOB Water DIS  
Annual performance on 28/02/2018 (in EUR)

The cumulative returns are shown where they relate to a period of at least one year.



BE0947250453  
KBC Eco Fund CSOB Water CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE0947250453	CZK	3.25%		4.87%		8.31%		5.12%		31/07/2007	2.86%
CAP	BE0947250453	EUR	9.80%		7.65%		8.56%		4.99%		31/07/2007	3.82%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in CZK and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which  $C = C_0 * \dots * C_N$ .

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

## 2.4.6 COSTS

### Ongoing charges: \*

Distribution: Not applicable Capitalization: 2.189%

\* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

### EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period:		CSA Credits in EUR accrued during the period:		Percentage
	1-09-17	28-02-18	1-09-17	28-02-18	
CITI	-	1.400	-	559	39,90%
CSFBSAS	-	542	-	209	38,51%
EQ CSA GOLDMAN SACHS INTERNATIONAL	-	344	-	138	40,00%
HSBC	-	1	-	0	40,00%
HSBC	-	1.714	-	608	35,45%
INSTINET	-	614	-	222	36,09%
MACQUARIE	-	175	-	70	40,00%
MERRILL	-	302	-	121	40,00%
MORGAN STANLEY	-	61	-	17	28,57%
UBSWDR	-	183	-	61	33,33%
UBSWDR	-	527	-	211	40,00%

### FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

## 2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 2% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.9% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1844 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

### Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

### **Details of collateral cash given for financial derivatives**

Name	Currency	Quantity	Price	Value in currency of the portfolio
VL.GEMEENSCHAP 10 3,1155 180820	EUR	50.000,00	CZK	1.395.188,64
CZECH REPUBLIC 10 3,625 140421	EUR	433.000,00	CZK	12.633.461,49
Totaal				14.028.650,13

## Semi-annual report as at 28 February 2018

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## 2. Information on KBC Eco Fund World

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### Classic Shares Distribution

Launch date:	30 April 1992
Initial subscription price:	10 000 BEF
Currency:	EUR

##### Classic Shares capitalisation shares

Launch date:	30 April 1992
Initial subscription price:	10 000 BEF
Currency:	EUR

##### Institutional B Shares capitalisation shares

Launch date:	25 September 2013
Initial subscription price:	1 000 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

##### Sub-fund's investment policy

###### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

###### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

###### Permitted derivatives transactions

**Derivatives may be used to achieve the investment objectives as well as to hedge in risks.**

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives.** Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. **Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**

**Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk.** Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. **As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

At least 75% of the assets are invested in the shares of companies in all sectors worldwide that outperform their peers in managing the environmental impact of both their production process and their end product. These companies must also have been approved by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the Independent Environmental Advisory Committee.

The shares must satisfy the following criteria:

1. the companies must be considered the 'best in class' in terms of sustainability: This means that the companies have to be screened based on the following criteria:

- economic policy and role in society
- business ethics and corporate governance
- environment
- internal social relations
- human rights
- socially controversial practices and technologies

2. the companies must be considered the 'best in class' in environmental terms.

Each criterion is sub-divided into measurable indicators.

The requirements, criteria and indicators are set out by KBC Asset Management in co-operation with the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee. These requirements, criteria and indicators are constantly checked to ensure their relevance. Accordingly, the method used to conduct the sustainability screening may be changed, subject to approval by the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee.

The shares are screened by KBC Asset Management's Sustainable and Socially Responsible Investment Department, in co-operation with the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee.

Because the External Advisory Board for Sustainability Analysis and the Independent Environmental Advisory Committee work independently, the assessment of companies is objective, assuring the credibility of the sustainability screening. Their task also consists in overseeing the quality of the methods used and the research carried out by KBC Asset Management.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

### **Securities Financing Transactions (SFTs)**

**The sub-fund may not lend any financial instruments.**

### **General strategy for hedging the exchange risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, that is recognised and that is open to the public or, that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

### **Social, ethical and environmental aspects**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## **2.1.4. Financial portfolio management**

The intellectual management, with the exception of the sustainability screening described in the prospectus, creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects have been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 WY28, Ireland.

### **2.1.5. Distributors**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

### **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.

### **2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR**

In line with the defined strategy, the fund was and is invested in an internationally diversified selection of shares issued by companies pursuing sustainable policies. The companies are the best-in-class with regard to their overall score (economic policy and internal social relations, corporate governance, human rights and socially questionable practices) and their score for environmental criteria.

### **2.1.8 FUTURE POLICY**

The fund will continue investing in a global selection of shares issued by companies pursuing sustainable policies.

### **2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

Classic Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.



## 2.2 BALANCE SHEET

<b>Balance sheet layout</b>	<b>28/02/2018</b> (in the currency of the sub-fundt)	<b>28/02/2017</b> (in the currency of the sub-fund )
<b>TOTAL NET ASSETS</b>	159.928.155,12	133.787.980,14
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
C. Shares and similar instruments		
a) Shares	160.239.579,73	133.753.742,31
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable		16.828,05
B. Payables		
a) Accounts payable (-)		-16.687,39
c) Borrowings (-)	-567.072,12	-168.560,06
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	226.663,52	89.858,92
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward		82.813,23
B. Accrued income	182.711,82	166.415,20
C. Accrued expense (-)	-153.727,83	-136.430,12
<b>TOTAL SHAREHOLDERS' EQUITY</b>	159.928.155,12	133.787.980,14
<b>A. Capital</b>	149.988.908,15	119.880.652,52
<b>B. Income equalization</b>	61.004,11	93.976,13
<b>D. Result of the period</b>	9.878.242,86	13.813.351,49

## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fund)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	12.110.400,46	10.657.835,46
D. Other securities	-7.785,17	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-8,94	
b) Other foreign exchange positions and transactions	-2.092.515,06	3.114.171,68
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	5.928.423,64	3.630.204,28
Unrealised gains on investments	7.510.788,93	9.958.695,38
Realised losses on investments	-3.943.318,50	-1.965.387,93
Unrealised losses on investments	514.197,22	2.148.495,41
<b>II. Investment income and expenses</b>		
A. Dividends	1.286.843,23	1.085.217,06
B. Interests		
b) Cash at bank and in hand and deposits	986,75	541,79
C. Interest on borrowings (-)	-761,67	-814,55
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	9.888,96	27.928,96
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-110.453,90	-67.584,20
B. Financial expenses (-)	-160,50	-1.204,35
C. Custodian's fee (-)	-62.352,32	-33.109,80
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-379.463,89	-314.994,91
Institutional B Shares	-752.396,66	-543.544,79
b) Administration and accounting management	-75.457,33	-57.235,85
E. Administrative expenses (-)	-1.000,14	0,20
F. Formation and organisation expenses (-)	-5.626,03	-6.583,80
G. Remuneration, social security charges and pensions (-)	-1.772,14	-2.197,59
H. Services and sundry goods (-)	-6.896,23	-9.706,51
J. Taxes		
Classic Shares	-22.552,39	-17.307,37
Institutional B Shares	-6.787,28	-6.714,27
K. Other expenses (-)	-3.886,89	-11.345,67
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-131.848,42	41.344,36
<b>V. Profit (loss) on ordinary activities before tax</b>	9.878.242,86	13.813.351,49
<b>VII. Result of the period</b>	9.878.242,86	13.813.351,49

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND WORLD

Name	Quantity on 28/02/2018	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
COMMONWEALTH BANK AUST -	15.951,00	AUD	76,390	778.492,77		0,49	0,49
WESTPAC BANKING -	28.720,00	AUD	30,770	564.601,58		0,35	0,35
<u>Austria</u>							
AUST&NZ BANKING GROUP -	2.814,00	AUD	29,050	52.227,64		0,03	0,03
RAIFFEISEN BANK INTL -	7.794,00	EUR	31,990	249.330,06		0,16	0,16
<u>Belgium</u>							
KBC GROUP -	7.821,00	EUR	77,300	604.563,30		0,38	0,38
<u>Canada</u>							
CANADIAN NATIONAL RAILWAY CO -	4.798,00	CAD	99,280	304.802,56		0,19	0,19
CANADIAN TIRE CORP "A" NON VOTING	2.509,00	CAD	174,390	279.974,73		0,18	0,18
MANULIFE FINANCIAL CORP -	98.647,00	CAD	24,420	1.541.438,28		0,96	0,96
POWER CORP -	125.200,00	CAD	30,410	2.436.224,72		1,52	1,52
ROYAL BK CANADA -	34.323,00	CAD	101,090	2.220.189,45		1,39	1,39
TORONTO DOMINION BK -	36.279,00	CAD	74,050	1.719.004,32		1,07	1,08
<u>Cayman Islands</u>							
SEAGATE TECHNOLOGY -	6.965,00	USD	53,400	304.948,96		0,19	0,19
<u>Denmark</u>							
DANSKE BK AS -	23.006,00	DKK	246,200	760.717,89		0,48	0,48
NOVO NORDISK A/S "B"	50.446,00	DKK	316,600	2.145.023,79		1,34	1,34
VESTAS WINDS SYSTEMS -	20.873,00	DKK	443,600	1.243.571,83		0,78	0,78
<u>Finland</u>							
NESTE OIL OYJ -	27.191,00	EUR	60,240	1.637.985,84		1,02	1,02
<u>France</u>							
ATOS SE -	4.258,00	EUR	108,500	461.993,00		0,29	0,29
CAPGEMINI SA -	18.518,00	EUR	102,950	1.906.428,10		1,19	1,19
CREDIT AGRICOLE -	116.137,00	EUR	14,135	1.641.596,50		1,02	1,03
NATIXIS (PAR)	190.545,00	EUR	7,100	1.352.869,50		0,84	0,85
VIVENDI SA -	87.645,00	EUR	21,250	1.862.456,25		1,16	1,17
<u>Germany</u>							
ALLIANZ AG REG	151,00	EUR	192,020	28.995,02		0,02	0,02
DEUTSCHE LUFTHANSA AG REG	19.405,00	EUR	27,620	535.966,10		0,33	0,34
HENKEL KGAA PREF	4.577,00	EUR	109,300	500.266,10		0,31	0,31
<u>Hong Kong</u>							
HONG KONG CHINA GAS -	965.000,00	HKD	15,480	1.565.176,39		0,98	0,98
<u>Italy</u>							
SNAM SPA -	487.155,00	EUR	3,681	1.793.217,56		1,12	1,12

TELECOM ITALIA SPA (MIL)	2.016.329,00	EUR	0,740	1.492.083,46		0,93	0,93
TERNA RETE ELETTRICA NAZIONALE -	238.304,00	EUR	4,560	1.086.666,24		0,68	0,68
<u>Japan</u>							
ASAHI GLASS -	41.000,00	JPY	4.455,000	1.403.496,77		0,88	0,88
BRIDGESTONE CORP -	44.900,00	JPY	4.782,000	1.649.816,97		1,03	1,03
CANON INC -	70.800,00	JPY	4.096,000	2.228.296,92		1,39	1,39
DAI NIPPON PRINTNG -	2.000,00	JPY	2.251,000	34.592,77		0,02	0,02
DAIWA HOUSE -	28.500,00	JPY	3.977,000	870.924,09		0,54	0,55
KAO CORP -	18.200,00	JPY	7.852,000	1.098.073,81		0,69	0,69
NOMURA HOLDINGS INC -	262.400,00	JPY	659,600	1.329.916,37		0,83	0,83
NTT DOCOMO, INC. -	75.300,00	JPY	2.745,000	1.588.243,84		0,99	0,99
RICOH CO -	43.200,00	JPY	1.156,000	383.726,18		0,24	0,24
SEVEN & I HOLDINGS CO LTD -	70.100,00	JPY	4.461,000	2.402.869,00		1,50	1,50
SONY CORP -	26.100,00	JPY	5.442,000	1.091.387,31		0,68	0,68
TAKEDA PHARMACEUTICAL CO LTD -	48.900,00	JPY	6.112,000	2.296.529,66		1,43	1,44
TEIJIN LTD -	39.000,00	JPY	2.117,000	634.403,13		0,40	0,40
TOKYO ELECTRON -	8.600,00	JPY	21.060,000	1.391.671,30		0,87	0,87
TOPPAN PRINTING -	125.000,00	JPY	919,000	882.684,25		0,55	0,55
YAMADA DENKI -	57.400,00	JPY	677,000	298.593,54		0,19	0,19
<u>Luxembourg</u>							
ARCELORMITTAL -	43.167,00	EUR	28,250	1.219.467,75		0,76	0,76
<u>Spain</u>							
ACTIVIDADES CONSTRUCY SERV -	35.072,00	EUR	28,330	993.589,76		0,62	0,62
AMADEUS IT GROUP SA -	13.145,00	EUR	60,560	796.061,20		0,50	0,50
CAIXABANK SA -	142.422,00	EUR	4,012	571.397,06		0,36	0,36
ENAGAS -	45.507,00	EUR	21,420	974.759,94		0,61	0,61
<u>Sweden</u>							
ELECTROLUX "B"	53.413,00	SEK	273,500	1.445.608,83		0,90	0,90
SANDVIK FRIA -	14.087,00	SEK	154,500	215.374,11		0,13	0,14
VOLVO TREASURY AB "B"	114.993,00	SEK	156,950	1.785.990,79		1,12	1,12
<u>Switzerland</u>							
COCA-COLA HBC AG -	65.287,00	GBP	23,850	1.759.031,80		1,10	1,10
SONOVA HOLDING AG -	4.727,00	CHF	148,400	608.586,13		0,38	0,38
<u>U.K.</u>							
ANTOFAGASTA PLC -	59.106,00	GBP	8,700	580.910,75		0,36	0,36
BERKELEY GROUP (THE) PLC -	30.040,00	GBP	38,540	1.307.887,03		0,82	0,82
INTERCONTINENTAL HOTELS GROUP PLC -	4.391,00	GBP	46,990	233.092,06		0,15	0,15
LAND SECURITIES GROUP PLC -	31.837,00	GBP	9,270	333.403,74		0,21	0,21
LLOYDS BANKING GROUP PLC -	1.153.382,00	GBP	0,688	896.437,89		0,56	0,56
MARKS&SPENCER -	289.327,00	GBP	2,956	966.166,53		0,60	0,60
SCHRODERS PLC -	20.787,00	GBP	34,490	809.922,76		0,51	0,51
UNITED UTILITIES WATER PLC -	49.937,00	GBP	6,662	375.825,00		0,24	0,24
VODAFONE GROUP PLC -	601.039,00	GBP	2,038	1.383.435,34		0,86	0,87
3IGROUP -	174.285,00	GBP	9,396	1.849.956,91		1,15	1,16
<u>U.S.A.</u>							
ABBVIE INC -	13.618,00	USD	115,830	1.293.299,67		0,81	0,81
ACCENTURE LTD "A"	559,00	USD	161,010	73.795,42		0,05	0,05
ADOBE SYSTEMS -	16.842,00	USD	209,130	2.887.850,99		1,80	1,81
AGILENT TECHNOLOGIES -	37.417,00	USD	68,590	2.104.236,49		1,31	1,32
AIR PRODUCTS & CHEMICALS -	17.551,00	USD	160,790	2.313.799,28		1,44	1,45
AUTODESK INC -	16.155,00	USD	117,470	1.555.961,01		0,97	0,97
AVERY DENNISON CORPORATION -	25.518,00	USD	118,150	2.471.981,06		1,54	1,55
BANK OF AMERICA CORP -	105.722,00	USD	32,100	2.782.500,06		1,74	1,74



BANK OF NEW YORK MELLON CORP -	48.048,00	USD	57,030	2.246.691,62		1,40	1,41
BED BATH & BEYOND -	11.870,00	USD	21,440	208.660,52		0,13	0,13
BEST BUY -	26.259,00	USD	72,440	1.559.629,37		0,97	0,98
BIOGEN INC -	6.323,00	USD	288,990	1.498.203,39		0,94	0,94
BORGWARNER INC -	45.175,00	USD	49,080	1.817.889,56		1,13	1,14
BRISTOL-MYERS SQUIBB CO -	18.153,00	USD	66,200	985.306,11		0,62	0,62
BROWN-FORMAN CORPORATION "B"	37.570,00	USD	69,790	2.149.805,52		1,34	1,34
CAMPBELL SOUP CO -	16.421,00	USD	43,050	579.612,22		0,36	0,36
CIGNA CORP. -	15.838,00	USD	195,890	2.543.767,33		1,59	1,59
CISCO SYSTEMS INC -	9.645,00	USD	44,780	354.120,53		0,22	0,22
COGNIZANT TECHNOLOGY SOLUTIONS CORP. -	26.823,00	USD	82,020	1.803.814,59		1,13	1,13
CSX -	36.544,00	USD	53,720	1.609.595,93		1,00	1,01
CUMMINS INC. -	16.522,00	USD	168,170	2.278.116,46		1,42	1,42
DELL TECHNOLOGIES INC CL V	19.547,00	USD	74,290	1.190.625,70		0,74	0,74
EATON CORP. -	33.858,00	USD	80,700	2.240.266,14		1,40	1,40
FEDEX CORP -	222,00	USD	246,410	44.851,41		0,03	0,03
FMC TECHNOLOGIES INC. -	41.846,00	USD	28,820	988.809,67		0,62	0,62
GOODYEAR T&R -	11.719,00	USD	28,940	278.069,82		0,17	0,17
HERSHEY CORP -	5.889,00	USD	98,260	474.441,96		0,30	0,30
HILTON WORLDWIDE HOLDINGS INC -	10.910,00	USD	80,790	722.681,83		0,45	0,45
HOME DEPOT -	12.669,00	USD	182,270	1.893.312,53		1,18	1,18
HOST HOTELS & RESORTS INC -	62.046,00	USD	18,560	944.183,79		0,59	0,59
HUMANA INC. -	8.144,00	USD	271,820	1.815.030,61		1,13	1,14
INGERSOLL RAND PLC -	32.227,00	USD	88,800	2.346.376,09		1,46	1,47
INTEL CORP -	74.123,00	USD	49,290	2.995.550,09		1,87	1,87
KIMBERLEY-CLARK CORP -	1.194,00	USD	110,920	108.587,28		0,07	0,07
KOHL'S CORPORATION -	7.425,00	USD	66,090	402.343,50		0,25	0,25
LIBERTY GLOBAL INC A	55.167,00	USD	31,140	1.408.519,15		0,88	0,88
LIBERTY PROPERTY TRUST -	10.460,00	USD	39,260	336.702,82		0,21	0,21
LILLY (ELI) & CO -	10.026,00	USD	77,020	633.134,52		0,40	0,40
LOWE'S CIE -	12.713,00	USD	89,590	933.839,77		0,58	0,58
MANPOWER GROUP -	20.710,00	USD	118,460	2.011.484,11		1,26	1,26
MCGRAW HILL FINANCIAL INC -	7.259,00	USD	191,800	1.141.537,49		0,71	0,71
MICROSOFT CORP -	35.041,00	USD	93,770	2.694.047,12		1,68	1,69
MONDELEZ INTERNATIONAL INC "A"	70.708,00	USD	43,900	2.545.058,99		1,59	1,59
MOODY S CORP -	3.185,00	USD	166,880	435.791,25		0,27	0,27
NETWORK APPLIANCE, INC. -	24.888,00	USD	60,550	1.235.574,47		0,77	0,77
NORFOLK STHN CP -	981,00	USD	139,080	111.866,09		0,07	0,07
NORTHERN TRUST CORPORATION -	12.194,00	USD	105,870	1.058.482,99		0,66	0,66
NVIDIA CORP NAS	1.283,00	USD	242,000	254.569,75		0,16	0,16
PEPSICO INC -	21.510,00	USD	109,730	1.935.221,01		1,21	1,21
PFIZER -	71.248,00	USD	36,310	2.121.112,52		1,32	1,33
PRINCIPAL FINANCIAL GROUP INC -	33.528,00	USD	62,330	1.713.442,58		1,07	1,07
PROLOGIS TRUST -	42.364,00	USD	60,680	2.107.692,80		1,32	1,32
PRUDENTIAL FINANCIAL INC -	25.281,00	USD	106,320	2.203.809,22		1,38	1,38
ROYAL CARIBBEAN CRUISES LTD -	12.688,00	USD	126,600	1.317.017,83		0,82	0,82
SOUTHWEST AIRLINES -	21.136,00	USD	57,840	1.002.341,85		0,63	0,63
TEXAS INSTRUMENTS -	8.759,00	USD	108,350	778.122,95		0,49	0,49
UNION PACIFIC CORPORATION -	9.655,00	USD	130,250	1.031.085,76		0,64	0,65
UNITEDHEALTH GROUP INC. -	605,00	USD	226,160	112.185,30		0,07	0,07
VISA INC -	32.145,00	USD	122,940	3.240.197,02		2,03	2,03
VORNADO REALTY TRUST -	5.014,00	USD	66,470	273.259,20		0,17	0,17
W.W. GRAINGER, INC. -	3.968,00	USD	261,550	850.924,77		0,53	0,53
WALT DISNEY -	9.026,00	USD	103,160	763.433,90		0,48	0,48
WORKDAY INC -	14.006,00	USD	126,670	1.454.630,44		0,91	0,91
WYNDHAM WORLDWIDE CORP -	20.248,00	USD	115,780	1.922.119,82		1,20	1,20

XEROX CORPORATION -	51.717,00	USD	30,320	1.285.663,46		0,80	0,80
Total shares				160.239.579,73		100,00	100,20
<b>TOTAL SECURITIES PORTFOLIO</b>				<b>160.239.579,73</b>		<b>100,00</b>	<b>100,20</b>
<b>CASH AT BANK AND IN HAND</b>							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	49.208,37	AUD	1,000	31.439,03			0,02
KBC GROUP CAD	46.340,62	CAD	1,000	29.652,30			0,02
KBC GROUP CHF	33.410,11	CHF	1,000	28.985,48			0,02
KBC GROUP DKK	27.068,61	DKK	1,000	3.635,47			0,00
KBC GROUP EURO	-556.982,61	EUR	1,000	-556.982,61			-0,35
KBC GROUP GBP	-8.559,41	GBP	1,000	-9.669,46			-0,01
KBC GROUP HKD	33.930,30	HKD	1,000	3.555,11			0,00
KBC GROUP ILS	13.733,23	ILS	1,000	3.240,73			0,00
KBC GROUP JPY	649.468,00	JPY	1,000	4.990,43			0,00
KBC GROUP NOK	27.244,86	NOK	1,000	2.832,25			0,00
KBC GROUP NZD	1.236,30	NZD	1,000	732,10			
KBC GROUP SEK	145.632,06	SEK	1,000	14.411,31			0,01
KBC GROUP SGD	32,44	SGD	1,000	20,11			
KBC GROUP TRY	-1.950,08	TRY	1,000	-420,05			
KBC GROUP USD	121.941,63	USD	1,000	99.980,84			0,06
KBC GROUP ZAR	45.900,95	ZAR	1,000	3.188,36			0,00
Total demand accounts				-340.408,60			-0,21
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>-340.408,60</b>			<b>-0,21</b>
<b>OTHER</b>							
Interest receivable		EUR		165.211,80			0,10
Accrued interest		EUR		17.500,02			0,01
Expenses payable		EUR		-153.727,83			-0,10
<b>TOTAL OTHER</b>				<b>28.983,99</b>			<b>0,02</b>
<b>TOTAL NET ASSETS</b>				<b>159.928.155,12</b>			<b>100,00</b>

**Geographic breakdown (as a % of securities portfolio)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
Australia	1,88	1,62	1,56	0,87
Austria	0,51	1,52	0,74	0,16
Belgium	0,52	0,42	0,38	0,38
Canada	4,60	6,82	5,66	5,31
Switzerland	5,43	2,96	2,46	1,48
Germany	1,90	2,09	1,92	0,66
Denmark	1,84	1,76	1,82	2,59
Spain	1,29	1,24	2,80	2,08
Finland	1,66	1,90	0,62	1,02
France	3,69	3,23	3,84	4,51
U.K.	4,06	5,84	4,36	5,45
Hong Kong	0,86	0,16	0,35	0,98
Italy	1,37	1,89	1,61	2,73
Japan	11,48	10,36	10,26	12,22
Luxembourg	0,00	0,00	0,00	0,76
Netherlands	0,82	0,00	0,00	0,00
Norway	0,22	0,13	0,26	0,00
Papua New Guinea	0,05	0,04	0,19	0,00
Portugal	0,42	0,34	0,60	0,00
Sweden	1,73	1,25	2,97	2,15
U.S.A.	55,67	56,43	57,60	56,65
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Sector breakdown (as a % of securities portfolio)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
Cyclicals	17,00	17,17	14,05	11,85
Consum(cycl)	16,84	16,62	14,95	17,60
Cons.goods	12,17	13,05	11,44	11,48
Pharma	11,70	8,41	11,40	10,02
Financials	17,37	20,40	20,03	20,02
Technology	16,94	16,16	19,57	19,58
Telecomm.	2,73	2,22	2,18	2,79
Utilities	2,06	1,82	2,16	3,62
Real est.	3,19	4,15	4,22	3,04
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Currency breakdown (as a % of net assets)**

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
AUD	1,95	1,66	1,80	0,89
CAD	4,62	6,84	5,68	5,34
CHF	4,39	2,21	1,14	0,40
DKK	1,90	1,76	1,84	2,60
EUR	11,74	12,51	13,37	11,98
GBP	5,11	6,59	6,11	6,56
HKD	0,86	0,16	0,35	0,98
JPY	11,51	10,37	10,30	12,25
NOK	0,22	0,13	0,26	0,00
SEK	1,73	1,26	3,01	2,16
USD	55,97	56,51	56,14	56,84
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

## 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND WORLD (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	62.097.907,05	62.097.907,05
<b>Sales</b>	52.395.066,12	52.395.066,12
<b>Total 1</b>	114.492.973,18	114.492.973,18
<b>Subscriptions</b>	13.378.840,95	13.378.840,95
<b>Redemptions</b>	3.200.757,25	3.200.757,25
<b>Total 2</b>	16.579.598,20	16.579.598,20
<b>Monthly average of total assets</b>	151.918.550,47	151.918.550,47
<b>Turnover rate</b>	64,45 %	64,45 %

	1st half of year	Year
<b>Purchases</b>	62.097.907,05	62.097.907,05
<b>Sales</b>	52.395.066,12	52.395.066,12
<b>Total 1</b>	114.492.973,18	114.492.973,18
<b>Subscriptions</b>	13.378.840,95	13.378.840,95
<b>Redemptions</b>	3.200.757,25	3.200.757,25
<b>Total 2</b>	16.579.598,20	16.579.598,20
<b>Monthly average of total assets</b>	152.266.383,08	152.266.383,08
<b>Corrected turnover rate</b>	64,30 %	64,30 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%), The fund is regularly rebalanced to reflect quantitative views in a timely and adequate manner. Monthly turnover can be significant in case of strong quantitative signals.

The detailed list of transactions is available for consultation free of charge at the registered office of the Beveik or fund at Havenlaan 2, 1080 Brussels.

**2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS**

Nil

**2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE**

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	34.974,30	10.194,51	23.475,54	5.017,37	41.367,10	8.880,54	50.247,64
2017 - 08*	11.351,86	2.906,37	9.825,26	1.338,81	42.893,69	10.448,10	53.341,80
2018 - 02*	5.439,98	2.099,04	2.677,65	789,86	45.656,02	11.757,28	57.413,29

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	7.518.183,91	667.530,47	14.919.414,19	2.938.331,21
2017 - 08*	10.400.553,28	2.106.823,67	8.895.620,81	947.371,87
2018 - 02*	5.269.283,01	1.582.866,94	2.619.100,16	596.603,96

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2016 - 08*	40.613.046,00	838,82	665,89
2017 - 08*	46.576.108,54	912,69	710,90
2018 - 02*	53.321.734,43	976,19	744,46

\* The financial year does not coincide with the calendar year.

## Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	80.717,83		49.116,78		70.801,05		70.801,05
2017 - 08*	31.300,00		1,00		102.100,05		102.100,05
2018 - 02*	6.800,00		0,00		108.900,05		108.900,05

Period	Amounts received and paid by the UCI (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	25.530.917,70		31.991.215,21	
2017 - 08*	27.949.525,00		952,29	
2018 - 02*	6.592.640,00		0,00	

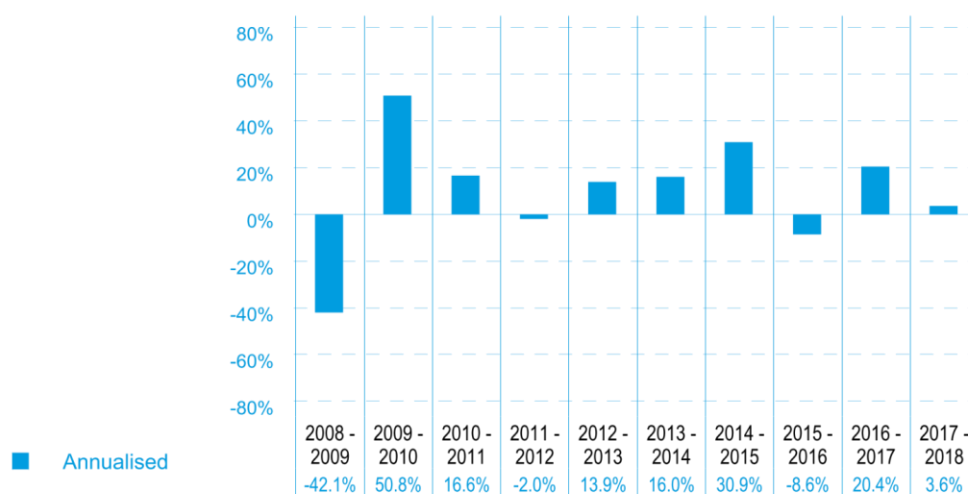
Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2016 - 08*	59.499.216,62	840,37	
2017 - 08*	93.410.960,28	914,90	
2018 - 02*	106.606.420,69	978,94	

\* The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

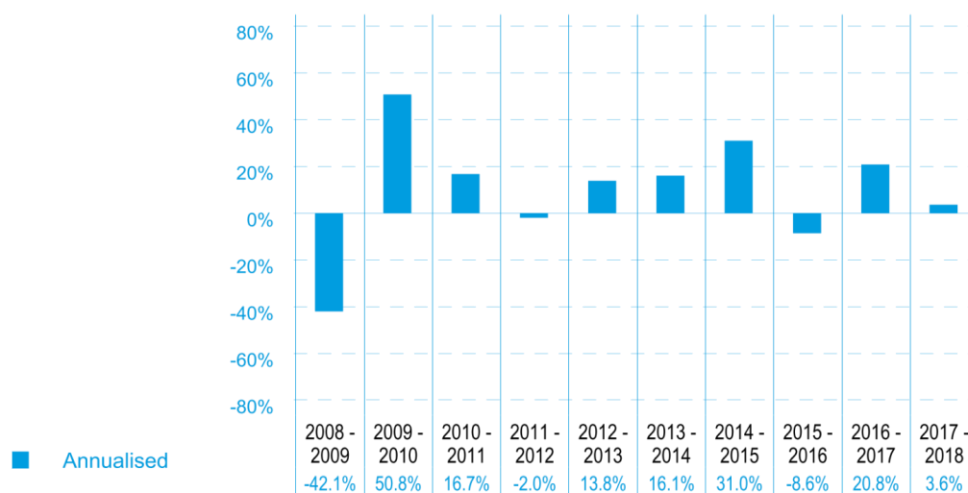
### Classic Shares

BE0177657500  
KBC Eco Fund World Classic Shares DIS  
Annual performance on 28/02/2018 (in EUR)



### Classic Shares

BE0133741752  
KBC Eco Fund World Classic Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0177657500	EUR	3.58%		4.46%		11.60%		7.00%		30/04/1992	3.68%
CAP	BE0133741752	EUR	3.60%		4.59%		11.71%		7.07%		30/04/1992	5.45%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [\text{Wi} / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

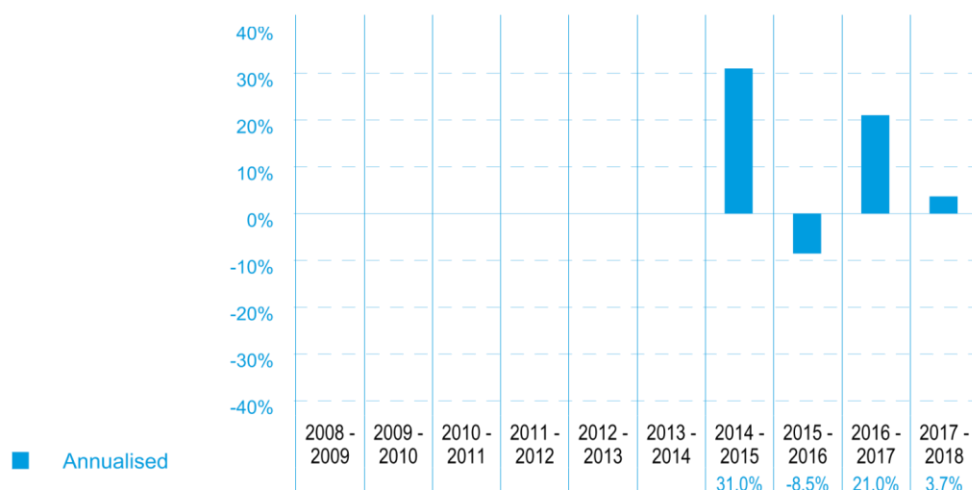
from which  $C = C_0 * \dots * C_N$ .

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares



## Institutional B Shares

BE6257810497  
KBC Eco Fund World Institutional B Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6257810497	EUR	3.67%		4.70%						25/09/2013	10.77%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
 Return on date D over a period of X years :  

$$\left[ \frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where Y = D-X  
 Return on date D since the start date S of the unit:  

$$\left[ \frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where F = 1 if the unit has existed for less than one year on date D  
 where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6 COSTS

### Ongoing Charges: \*

Classic Shares Distribution: 1.830%

Classic Shares Capitalization: 1.815%

Institutional B Shares Capitalization: 1.743%

\* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

### EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period:	CSA Credits in EUR accrued during the period:	Percentage
	1-09-17 - 28-02-18	1-09-17 - 28-02-18	
CARNEGIE	632	180	28,57%
CITI	10.439	4.176	40,00%
CSFBSAS	8.397	3.345	39,84%
DEUTSCHE	14	4	28,57%
EQ CSA GOLDMAN SACHS INTERNATIONAL	3.483	1.393	40,00%
HSBC	5.345	2.138	40,00%
INSTINET	1.795	718	40,00%
MACQUARIE	7.681	3.072	40,00%
MERRILL	6.501	2.600	40,00%
MORGAN STANLEY	647	216	33,33%
SOCGEN	1.436	457	31,84%
UBSWDR	638	182	28,57%
UBSWDR	9.372	3.597	38,38%

### FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

## 2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1844 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

### Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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## 2. Information on KBC Eco Fund Alternative Energy

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### Classic Shares Distribution

Launch date:	31 October 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### Classic Shares capitalisation shares

Launch date:	31 October 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### Institutional B Shares capitalisation shares

Launch date:	25 November 2011
Initial subscription price:	160.81 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

##### Sub-fund's investment policy

###### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

###### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

###### Permitted derivatives transactions

**Derivatives may be used to achieve the investment objectives as well as to hedge in risks.**

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives.** Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. **Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**



**Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk.** Furthermore, using derivatives does not affect the portfolio's allocation across regions, industry sectors or themes. **As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate risk, flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

At any time, at least 75% of the assets are invested in the shares of companies that that operate on a sustainable basis in the alternative energy sector. These companies have to realize a substantial proportion of their turnover in this sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade and manufacture of arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform the sustainability screening, based on new trends in society.

The shares are screened by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the independent Environmental Advisory Committee.

### **Volatility of the net asset value**

**The volatility of the net asset value may be high due to the composition of the portfolio.**

### **Securities Financing Transactions (SFTs)**

**The sub-fund may not lend any financial instruments.**

### **General strategy for hedging the exchange risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, that is recognised and that is open to the public or, that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions.

### **Social, ethical and environmental aspects**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose use over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and must at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening will be based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## **2.1.4. Financial portfolio management**

The intellectual management, with the exception of the sustainability screening described in the prospectus and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects has been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, D02 X489, Ireland.

## **2.1.5. Distributors**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

## **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.

## **2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the renewable energy industry.

## **2.1.8 FUTURE POLICY**

The fund will continue to invest in equities primarily related to the renewable energy industry.

## **2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.



## Balance sheet layout

	28/02/2018 (in the currency of the sub-fundt)	28/02/2017 (in the currency of the sub-fund )
<b>TOTAL NET ASSETS</b>	38.058.011,39	28.882.059,25
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
<b>C. Shares and similar instruments</b>		
a) Shares	38.206.331,90	28.803.053,73
<b>IV. Receivables and payables within one year</b>		
<b>A. Receivables</b>		
a) Accounts receivable	0,38	255,26
<b>B. Payables</b>		
a) Accounts payable (-)		-8.487,61
c) Borrowings (-)	-154.432,21	-2.851,31
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	26.774,90	68.351,52
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward		20.387,51
B. Accrued income	27.126,70	41.984,57
C. Accrued expense (-)	-47.790,28	-40.634,42
<b>TOTAL SHAREHOLDERS' EQUITY</b>	38.058.011,39	28.882.059,25
<b>A. Capital</b>	35.941.149,28	26.922.910,24
<b>B. Income equalization</b>	62.761,66	-10.067,40
<b>D. Result of the period</b>	2.054.100,45	1.969.216,42

## Income Statement

	28/02/2018 (in the currency of the sub-fund)	28/02/2017 (in the currency of the sub-fund)
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	2.313.023,24	1.233.682,35
D. Other securities	399,19	
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-187.890,48	822.048,88
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	1.436.565,96	2.021.811,20
Unrealised gains on investments	1.255.951,40	476.765,88
Realised losses on investments	-818.253,90	-687.608,86
Unrealised losses on investments	251.268,49	244.763,01
<b>II. Investment income and expenses</b>		
A. Dividends	213.527,07	188.481,16
B. Interests		
b) Cash at bank and in hand and deposits	508,70	93,30
C. Interest on borrowings (-)	-468,80	-365,02
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	17.804,13	96,66
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-24.964,41	-8.739,80
B. Financial expenses (-)	-44,74	-1.057,14
C. Custodian's fee (-)	-11.460,48	-11.633,76
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-207.475,35	-214.437,90
Institutional B Shares	-13.755,58	-3.877,52
b) Administration and accounting management	-14.748,68	-14.554,25
E. Administrative expenses (-)	-1.000,77	0,52
F. Formation and organisation expenses (-)	-2.129,11	-3.030,63
G. Remuneration, social security charges and pension	-343,16	-553,39
H. Services and sundry goods (-)	-4.950,61	-3.456,41
J. Taxes		
Classic Shares	-12.666,00	-11.430,67
Institutional B Shares	-11,77	-8,78
K. Other expenses (-)	-9.251,94	-2.041,19
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-71.431,51	-86.514,83
<b>V. Profit (loss) on ordinary activities before tax</b>	2.054.100,45	1.969.216,41
<b>VII. Result of the period</b>	2.054.100,45	1.969.216,41

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

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### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC ECO FUND ALTERNATIVE ENERGY

	Quantity on 28/02/2018	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
ETS							
S PORTFOLIO							
Non-listed shares							
ENERGY -	647.390,00	AUD	0,630	260.577,37		0,68	0,69
D AG -	25.839,00	EUR	21,800	563.290,20		1,47	1,48
EL AG -	35.279,00	EUR	8,800	310.455,20		0,81	0,82
T -	16.345,00	EUR	40,820	667.202,90		1,75	1,75
STEM OPERATOR -	9.214,00	EUR	51,900	478.206,60		1,25	1,26
E -	8.972,00	EUR	46,520	417.377,44		1,09	1,10
RTINHO SA -	117.694,00	BRL	18,350	545.051,52		1,43	1,43
D POWER SYSTEMS -	92.841,00	USD	3,740	284.692,61		0,75	0,75
X INC -	40.275,00	CAD	23,570	607.423,69		1,59	1,60
GENICS CORP -	19.020,00	CAD	11,410	138.864,99		0,36	0,37
EX RENEWABLE ENERGY INC -	69.451,00	CAD	13,380	594.608,64		1,56	1,56
AND POWER INC -	47.545,00	CAD	22,020	669.913,55		1,75	1,76
S INFRASTRUCTURE INC -	25.041,00	CAD	19,840	317.899,56		0,83	0,84
Y ENERGY HOLDINGS LTD -	2.184.400,00	HKD	1,240	283.804,24		0,74	0,75
MES A/S "B"	11.231,00	DKK	315,000	475.142,03		1,24	1,25
COL INTERNATIONAL A/S -	2.144,00	DKK	1.809,000	520.904,15		1,36	1,37
WINDS SYSTEMS -	5.237,00	DKK	443,600	312.010,05		0,82	0,82
T-GOBAIN -	9.392,00	EUR	46,745	439.029,04		1,15	1,15
D (PAR)	7.170,00	EUR	64,540	462.751,80		1,21	1,22
(PAR)	8.680,00	EUR	40,150	348.502,00		0,91	0,92
SA (PAR)	8.030,00	EUR	43,480	349.144,40		0,91	0,92
PER ELECTRIC SE -	5.751,00	EUR	71,580	411.656,58		1,08	1,08
AG -	22.070,00	EUR	16,415	362.279,05		0,95	0,95
TEC SUSTAINABLE AG -	10.217,00	EUR	14,340	146.511,78		0,38	0,39
AG -	72.992,00	EUR	7,030	513.133,76		1,34	1,35
KONTOR AG -	6.528,00	EUR	13,650	89.107,20		0,23	0,23
N TECHNOLOGIES AG -	14.452,00	EUR	22,400	323.724,80		0,85	0,85
G -	6.899,00	EUR	34,650	239.050,35		0,63	0,63
AG -	27.083,00	EUR	9,476	256.638,51		0,67	0,67
D AG -	112.066,00	EUR	2,970	332.836,02		0,87	0,88
S AG REG	3.899,00	EUR	108,440	422.807,56		1,11	1,11
AR TECHNOLOGY AG -	7.204,00	EUR	49,440	356.165,76		0,93	0,94
CHEMIE AG -	2.540,00	EUR	140,050	355.727,00		0,93	0,94
by The Channel Islands							
ABLES INFRASTRUCTURE GROUP LTD -	438.232,00	GBP	1,066	527.739,85		1,38	1,39

ong							
VERBRIGHT INTL -	415.000,00	HKD	12,120	527.006,21		1,38	1,39
JUNTIEN GREEN ENERGY CORP -	1.861.000,00	HKD	1,870	364.630,50		0,95	0,96
GROUP HOLDINGS LTD -	438.000,00	HKD	4,130	189.534,90		0,50	0,50
DUSTRIES LTD -	255.996,00	INR	90,750	292.385,14		0,77	0,77
AN GROUP PLC -	13.254,00	EUR	34,800	461.239,20		1,21	1,21
AN SPA -	15.577,00	EUR	25,920	403.755,84		1,06	1,06
RETE ELETTRICA NAZIONALE -	145.071,00	EUR	4,560	661.523,76		1,73	1,74
A -	8.400,00	JPY	6.353,000	410.051,11		1,07	1,08
SHEET GLASS CO LTD -	57.000,00	JPY	860,000	376.663,17		0,99	0,99
NC -	6.900,00	JPY	6.630,000	351.513,88		0,92	0,92
OLDINGS CORP -	33.800,00	JPY	704,000	182.839,16		0,48	0,48
ands							
ED METALLURGICAL GROUP -	10.772,00	EUR	41,100	442.729,20		1,16	1,16
LIJKE PHILIPS ELECTRONICS N.V. -	15.682,00	EUR	31,530	494.453,46		1,29	1,30
aland							
OWER LTD BAY ENERGY LTD	19.268,00	NZD	5,170	58.989,49		0,15	0,16
BLE ENERGY CORP AS -	1.580.271,00	NOK	1,448	237.874,36		0,62	0,63
ies							
DEVELOPMENT CORPORATION -	2.660.028,00	PHP	5,570	233.257,18		0,61	0,61
ES ENERGETICAS -	289.439,00	EUR	2,474	716.072,09		1,88	1,89
orea							
MICAL CO LTD -	2.533,00	KRW	164.500,000	315.484,11		0,83	0,83
ONG CO LTD TAEWOONG CO LTD	23.861,00	KRW	21.650,000	391.131,64		1,02	1,03
A SA -	8.264,00	EUR	69,740	576.331,36		1,51	1,51
OVAVEIS SA -	64.037,00	EUR	7,175	459.465,48		1,20	1,21
CTRICA DE ESPANA -	38.888,00	EUR	16,000	622.208,00		1,63	1,64
S GAMESA RENEWABLE ENERGY SA -	25.227,00	EUR	13,085	330.095,30		0,86	0,87
A ENERGIA Y MEDIO AMBIENTE SA -	114.309,00	EUR	2,860	326.923,74		0,86	0,86
and							
-	20.981,00	CHF	23,060	419.747,42		1,10	1,10
OLDING AG -	324,00	CHF	949,000	266.755,74		0,70	0,70
BURGER TECHNOLOGY AG MEYER R TECHNOLOGY AG	158.595,00	CHF	1,658	228.126,93		0,60	0,60
IKON CORP AG (NOM)20CHF	33.452,00	CHF	16,050	465.800,20		1,22	1,22
OLAR TECH CO LTD -	440.000,00	TWD	7,850	96.999,86		0,25	0,26
H ENERGY CORP -	706.394,00	TWD	16,700	331.292,98		0,87	0,87
WAFERS CO LTD -	24.248,00	TWD	426,000	290.091,02		0,76	0,76
I INDUSTRIES INC -	588.000,00	TWD	21,800	359.983,49		0,94	0,95
ERICAN SILICON PRODUCTS -	119.000,00	TWD	89,800	300.104,19		0,79	0,79
T PLC -	26.042,00	GBP	5,780	170.043,79		0,45	0,45
FOAT UK WIND PLC -	305.667,00	GBP	1,222	421.966,87		1,10	1,11
N MATTHEY PLC -	10.154,00	GBP	31,350	359.611,27		0,94	0,95
D PLC -	72.557,00	GBP	7,402	606.718,16		1,59	1,59
POWER TECHNOLOGIES INC -	236.067,00	USD	1,130	218.714,97		0,57	0,58
-	221.288,00	GBP	1,450	362.480,34		0,95	0,95
SARCO ENGINEERING PLC -	6.983,00	GBP	57,100	450.439,79		1,18	1,18

RLE CORP. -	3.540,00	USD	100,430	291.495,27		0,76	0,77
CO INC -	27.423,00	USD	8,150	183.247,20		0,48	0,48
INC -	62.465,00	USD	5,290	270.930,06		0,71	0,71
MATERIALS -	7.018,00	USD	57,590	331.379,18		0,87	0,87
N SOLAR INC -	23.441,00	USD	15,700	301.745,34		0,79	0,79
TD -	43.188,00	USD	11,220	397.301,98		1,04	1,04
A HOLD CORP -	31.121,00	USD	14,950	381.469,23		1,00	1,00
SEARCH INC -	9.630,00	USD	37,830	298.694,63		0,78	0,79
S INC. -	2.797,00	USD	168,170	385.661,04		1,01	1,01
ON ELECTRIC CO -	8.369,00	USD	71,060	487.599,84		1,28	1,28
S -	6.108,00	USD	69,690	349.007,11		0,91	0,92
E ENERGY INC -	90.973,00	USD	3,320	247.636,91		0,65	0,65
TECHNOLOGIES INC -	9.333,00	USD	58,900	450.714,30		1,18	1,18
LAR INC -	4.763,00	USD	62,850	245.443,00		0,64	0,65
LL ENERGY LTD -	166.396,00	USD	1,650	225.108,35		0,59	0,59
L ELEC CAP CORP -	31.021,00	USD	14,110	358.878,62		0,94	0,94
C -	294.405,00	USD	0,452	108.985,25		0,29	0,29
IC -	7.070,00	USD	70,000	405.772,15		1,06	1,07
INC -	8.996,00	USD	50,950	375.801,42		0,98	0,99
L TECHNOLOGIES INC -	73.645,00	USD	5,690	343.574,02		0,90	0,90
UP INC/DELAWARE -	17.247,00	USD	32,350	457.459,48		1,20	1,20
TECHNOLOGIES INC -	11.293,00	USD	62,580	579.441,59		1,52	1,52
CORNING -	5.323,00	USD	81,300	354.823,02		0,93	0,93
N ENERGY GROUP INC -	28.423,00	USD	18,570	432.759,49		1,13	1,14
OWER INC -	186.545,00	USD	1,860	284.486,29		0,75	0,75
VER CORP -A-	32.814,00	USD	7,090	190.752,48		0,50	0,50
ORM POWER INC -	40.270,00	USD	11,510	380.033,37		1,00	1,00
IC -	1.186,00	USD	343,060	333.595,01		0,87	0,88
STRUMENTS INC -	17.923,00	USD	18,150	266.717,87		0,70	0,70
E INC CLASS A -	3.023,00	USD	131,750	326.552,90		0,86	0,86
es				38.206.331,90		100,00	100,39
SECURITIES PORTFOLIO				38.206.331,90		100,00	100,39
BANK AND IN HAND							
ccounts							
UP AUD	-1.496,89	AUD	1,000	-956,36			0,00
UP CAD	2.550,85	CAD	1,000	1.632,23			0,00
UP CHF	-886,60	CHF	1,000	-769,18			0,00
UP DKK	5.895,23	DKK	1,000	791,76			0,00
UP EURO	-152.706,67	EUR	1,000	-152.706,67			-0,40
UP GBP	10.337,97	GBP	1,000	11.678,68			0,03
UP HKD	3.277,49	HKD	1,000	343,40			0,00
UP JPY	68.636,00	JPY	1,000	527,39			0,00
UP NOK	34.286,75	NOK	1,000	3.564,30			0,01
UP NZD	6.324,31	NZD	1,000	3.745,08			0,01
UP SEK	343,23	SEK	1,000	33,97			
UP USD	5.437,31	USD	1,000	4.458,09			0,01
and accounts				-127.657,31			-0,34
CASH AT BANK AND IN HAND				-127.657,31			-0,34
CEIVABLES AND PAYABLES							
es							
UP EUR RECEIVABLE	0,38	EUR	1,000	0,38			
yables				0,38			
CEIVABLES AND PAYABLES				0,38			
ceivable		EUR		27.126,70			0,07

payable		EUR		-47.790,28			-0,12
HER				-20.663,58			-0,05
<b>NET ASSETS</b>				<b>38.058.011,39</b>			<b>100,00</b>

**Geographic breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Australia	0,97	0,83	0,83	0,68
Austria	2,59	2,22	2,34	2,29
Belgium	3,66	4,34	3,77	4,09
Brazil	2,00	1,79	0,93	1,43
Canada	4,93	4,92	7,02	6,84
Switzerland	4,12	3,64	3,65	3,61
Chile	1,96	2,77	0,00	0,00
China	1,68	2,46	0,86	0,74
Cayman Islands	0,54	0,98	0,00	0,00
Germany	9,40	8,23	8,35	8,89
Denmark	2,82	3,22	3,49	3,42
Spain	5,58	5,24	5,65	6,06
France	3,63	4,08	4,42	5,26
U.K.	7,70	7,71	5,84	6,78
Hong Kong	2,59	3,02	3,64	2,83
India	0,71	0,83	0,54	0,77
Ireland	0,72	0,88	1,25	1,21
Italy	2,65	2,65	3,79	2,79
Japan	2,48	1,98	6,37	3,46
South Korea	1,78	1,68	1,70	1,85
Netherlands	1,62	1,03	2,31	2,45
Norway	0,37	0,46	0,59	0,62
New Zealand	1,95	2,10	0,23	0,15
Philippines	0,88	1,29	1,18	0,61
Portugal	1,10	1,43	1,45	1,87
Taiwan	2,71	3,06	3,11	3,61
U.S.A.	25,47	25,26	25,47	26,31
British Virgin Islands	0,46	0,26	0,00	0,00
Guernsey The Channel Islands	2,93	1,64	1,22	1,38
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Sector breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Cyclicals	56,13	55,16	54,70	57,45
Consum(cycl)	2,54	2,60	3,29	3,39
Cons.goods	1,93	1,65	4,00	2,47
Financials	5,42	3,08	3,22	3,66
Technology	11,72	12,75	13,15	12,36
Telecomm.	1,48	1,80	0,00	0,00
Utilities	20,78	22,96	21,64	20,67
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

Currency breakdown (as a % of net assets)

	31/08/2016	28/02/2017	31/08/2017	28/02/2018
AUD	0,97	0,83	0,83	0,68
BRL	2,00	1,79	0,93	1,43
CAD	3,64	3,74	6,18	6,12
CHF	4,12	3,63	3,67	3,62
CLP	1,96	2,77	0,00	0,00
DKK	2,82	3,23	3,48	3,44
EUR	30,91	30,16	33,16	34,64
GBP	10,66	9,11	6,78	7,64
HKD	3,84	5,12	4,24	3,59
INR	0,71	0,83	0,54	0,77
JPY	2,48	1,97	6,35	3,47
KRW	1,78	1,68	1,71	1,86
NOK	0,31	0,45	0,59	0,63
NZD	1,95	2,10	0,23	0,16
PHP	0,88	1,28	1,19	0,61
SEK	-0,01	0,00	0,00	0,00
TWD	2,71	3,05	3,12	3,62
USD	28,27	28,26	27,00	27,72
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>



## 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC ECO FUND ALTERNATIVE ENERGY (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	14.120.706,04	14.120.706,04
<b>Sales</b>	5.976.713,30	5.976.713,30
<b>Total 1</b>	20.097.419,35	20.097.419,35
<b>Subscriptions</b>	11.460.518,39	11.460.518,39
<b>Redemptions</b>	3.284.975,50	3.284.975,50
<b>Total 2</b>	14.745.493,89	14.745.493,89
<b>Monthly average of total assets</b>	29.678.650,04	29.678.650,04
<b>Turnover rate</b>	18,03 %	18,03 %

	1st half of year	Year
<b>Purchases</b>	14.120.706,04	14.120.706,04
<b>Sales</b>	5.976.713,30	5.976.713,30
<b>Total 1</b>	20.097.419,35	20.097.419,35
<b>Subscriptions</b>	11.460.518,39	11.460.518,39
<b>Redemptions</b>	3.284.975,50	3.284.975,50
<b>Total 2</b>	14.745.493,89	14.745.493,89
<b>Monthly average of total assets</b>	30.117.757,22	30.117.757,22
<b>Corrected turnover rate</b>	17,77 %	17,77 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

**2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS**

Nil

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**2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE**
**Classic Shares**

	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
8*	6.427,22	1.541,98	12.848,62	1.865,09	106.945,37	21.386,61	128.331,98
8*	7.098,27	1.346,00	26.594,48	4.403,14	87.449,15	18.329,48	105.778,63
2*	5.046,66	4.454,00	10.655,94	1.283,00	81.839,88	21.500,48	103.340,36

	Amounts received and paid by the UCI (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
8*	1.455.552,93	307.945,29	2.943.446,24	367.457,85
8*	1.804.627,42	291.125,55	6.634.365,96	941.833,31
2*	1.419.515,25	1.050.236,61	2.995.548,07	300.765,42

	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
8*	30.102.281,76	240,25	206,12
8*	26.928.153,99	261,91	219,56
2*	27.722.198,23	278,63	228,79

\* The financial year does not coincide with the calendar year.

**Institutional B Shares**

	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
8*	3.800,00		258,00		3.542,00		3.542,00
2*	33.532,51		0,00		37.074,51		37.074,51

	Amounts received and paid by the UCI (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
8*	899.433,00		64.435,72	
2*	9.061.125,28		0,00	

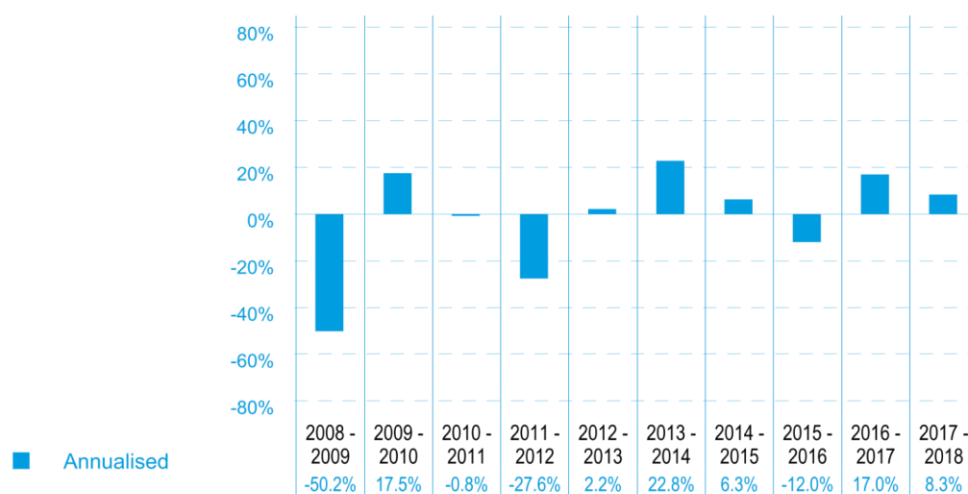
	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
8*	928.299,80	262,08	
2*	10.335.813,16	278,78	

\* The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

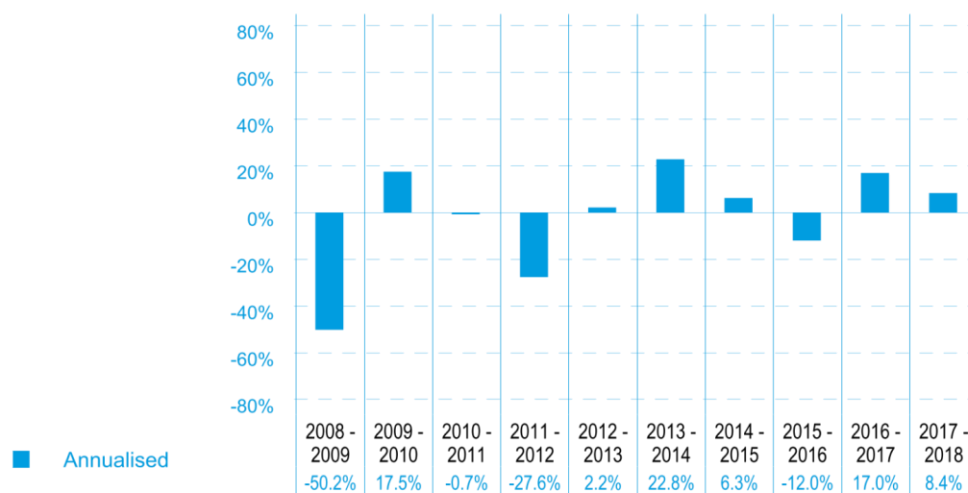
### Classic Shares

BE0175279976  
KBC Eco Fund Alternative Energy Classic Shares DIS  
Annual performance on 28/02/2018 (in EUR)



### Classic Shares

BE0175280016  
KBC Eco Fund Alternative Energy Classic Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0175279976	EUR	8.34%		3.70%		7.79%		-4.60%		31/10/2000	-3.33%
CAP	BE0175280016	EUR	8.36%		3.71%		7.80%		-4.58%		31/10/2000	-3.32%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

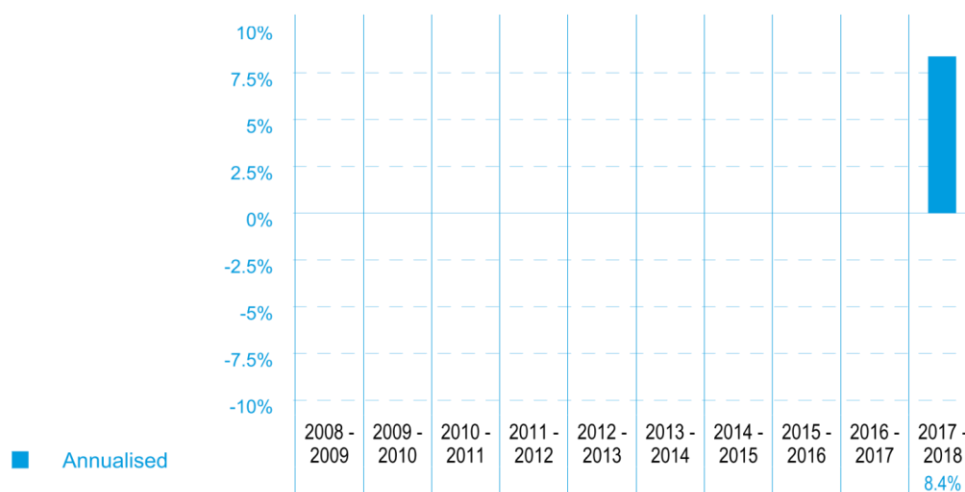
$i = 1 \dots N$

from which  $C = C_0 * \dots * C_N$ .

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

## Institutional B Shares

BE6228924690  
KBC Eco Fund Alternative Energy Institutional B Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6228924690	EUR	8.39%								25/11/2011	

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
 Return on date D over a period of X years :  

$$\left[ \frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
 where Y = D-X  
 Return on date D since the start date S of the unit:  

$$\left[ \frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
 where F = 1 if the unit has existed for less than one year on date D  
 where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6 COSTS

### Ongoing Charges: \*

Classic Shares Distribution: 1.873%

Classic Shares Capitalization: 1.860%

Institutional B Shares Capitalization: 2.020%

\* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

### EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period:	CSA Credits in EUR accrued during the period:	Percentage
	1-09-17 - 28-02-18	1-09-17 - 28-02-18	
CITI	2.028	802	39,52%
CSFBSAS	259	104	40,00%
DEUTSCHE	68	20	28,57%
EQ CSA GOLDMAN SACHS INTERNATIONAL	273	109	40,00%
HSBC	715	280	39,18%
INSTINET	1.916	760	39,68%
MACQUARIE	2.891	1.156	40,00%
MERRILL	920	368	40,00%
MORGAN STANLEY	38	11	28,58%
SOCGEN	57	16	28,57%
UBSWDR	382	140	36,76%

### FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

## 2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1844 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

### Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

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## 2. Information on KBC Eco Fund Water

### 2.1. Management report

#### 2.1.1. Launch date and subscription price

##### Classic Shares Distribution

Launch date:	1 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### Classic Shares capitalisation shares

Launch date:	1 December 2000
Initial subscription price:	500 EUR
Currency:	EUR

##### Institutional B Shares capitalisation shares

Launch date:	25 November 2011
Initial subscription price:	549.15 EUR
Currency:	EUR

#### 2.1.2. Stock exchange listing

Not applicable.

#### 2.1.3. Goal and key principles of the investment policy

##### Object of the sub-fund

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

##### Sub-fund's investment policy

###### Permitted asset classes

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the object as described above.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

###### Restrictions of the investment policy

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

###### Permitted derivatives transactions

**Derivatives may be used to achieve the investment objectives as well as to hedge in risks.**

**It is possible to work with either listed or unlisted derivatives: these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives.** Unlisted derivatives transactions may only be concluded with prime financial institutions specialised in such transactions. **Subject to the applicable laws and regulations and the articles of association, the sub-fund will always seek to conclude the most effective transactions. All costs associated with the transactions will be charged to the sub-fund and all income generated will be paid to the sub-fund.**

If the transactions result in a risk in respect of the counterparty, this risk can be hedged by using a margin management system that ensures that the sub-fund is the beneficiary of security (collateral) in the form of cash or investment grade bonds. When calculating the value of the bonds, a margin will be applied that varies depending on their residual term to maturity and the currency in which they are denominated. The relationship with the counterparty or counterparties is governed by standard international agreements.

**Derivatives can also be used to hedge the assets of the sub-fund against open exchange risks in relation to the currency.**

**Where derivatives are used, they must be easily transferable and liquid instruments. The use of derivatives does not, therefore, affect the liquidity risk.** Furthermore, using derivatives does not affect the portfolio allocation across regions, industry sectors or themes. **As a result, they have no effect on concentration risk. Derivatives are not used to protect capital, either fully or partially. They neither increase nor decrease the capital risk. In addition, using derivatives has no effect on settlement risk, custody risk, exchange rate flexibility risk, inflation risk or risk dependent on external factors.**

### **Strategy selected**

At any time, at least 75% of the assets are invested, in the shares of companies that operate on a sustainable basis in the water sector. These companies have to realize a substantial proportion of their turnover in this sector.

The companies have to satisfy a number of basic criteria regarding the environment, human rights, the trade, manufacture of arms, and nuclear energy. The basic criteria are set out by KBC Asset Management in co-operation with the Independent Environmental Advisory Committee. They may also change the method used to perform sustainability screening, based on new trends in society.

The shares are screened by KBC Asset Management's Sustainable and Socially Responsible Investment Department and the External Advisory Board for Sustainability Analysis.

### **Securities Financing Transactions (SFTs)**

**The sub-fund may not lend any financial instruments.**

### **General strategy for hedging the exchange risk**

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to currencies traded on a regulated market that operates regularly, that is recognised and that is open to the public or, alternatively, traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, may also sell currencies forward or exchange rate derivatives in private transactions with prime financial institutions specialising in such transactions.

### **Social, ethical and environmental aspects**

Investments may not be made in financial instruments issued by manufacturers of controversial weapons whose production over the past five decades, according to international consensus, has led to disproportionate human suffering among the civilian population. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium.

In addition, as of 31 March 2014 no new investments may be made in financial instruments issued by companies that do not have an anti-corruption policy and that have been given a negative score in a thorough screening for corruption in the last two years. A company has no anti-corruption policy if it cannot be demonstrated that it has an acceptable policy concerning the fight against corruption. An acceptable policy should be made public and should at least state that bribery will not be tolerated and that the law will be followed in this respect. The screening is based on a generally accepted and independent 'Social, ethical and environmental factors' database.

In this way, not only is a purely financial reality represented, but also the social reality of the sector or region.

## **2.1.4. Financial portfolio management**

The intellectual management, with the exception of the sustainability screening described in the prospectus, and the creation of the sub-fund and its maintenance in terms of the technical, product-specific and legal aspects have been delegated by the management company to KBC Fund Management Limited, Sandwith Street, Dublin 2, DO Dublin, Ireland.

## **2.1.5. Distributors**

KBC Asset Management S.A., 4, Rue du Fort Wallis, L-2714 Luxembourg.

## **2.1.6. Index and benchmark**

See 'Sub-fund's investment policy'.

**2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

**2.1.8 FUTURE POLICY**

In line with the defined strategy, the fund invests in a selection of shares issued by companies with exposure to the water industry.

**2.1.9 SYNTHETIC RISK AND REWARD INDICATOR**

Classic Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 5 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

## 2.2 BALANCE SHEET

<b>Balance sheet layout</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fundt)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund )</small>
<b>TOTAL NET ASSETS</b>	538.896.500,39	230.730.181,88
<b>II. Securities, money market instruments, UCIs and derivatives</b>		
C. Shares and similar instruments		
a) Shares	535.302.808,68	227.926.615,96
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-0,02	
<b>IV. Receivables and payables within one year</b>		
A. Receivables		
a) Accounts receivable	5.530.585,73	408.103,37
B. Payables		
a) Accounts payable (-)	-11.021.377,51	-382.389,67
c) Borrowings (-)	-3.038.904,13	
<b>V. Deposits and cash at bank and in hand</b>		
A. Demand balances at banks	12.430.339,82	2.769.904,36
<b>VI. Accruals and deferrals</b>		
A. Expense to be carried forward		151.463,82
B. Accrued income	413.426,47	173.315,72
C. Accrued expense (-)	-720.378,65	-316.831,68
<b>TOTAL SHAREHOLDERS' EQUITY</b>	538.896.500,39	230.730.181,88
<b>A. Capital</b>	535.545.185,53	208.862.927,71
<b>B. Income equalization</b>	921.600,95	13.036,15
<b>D. Result of the period</b>	2.429.713,91	21.854.218,02

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### Off-balance-sheet headings

## 2.3 PROFIT AND LOSS ACCOUNT

<b>Income Statement</b>	<b>28/02/2018</b> <small>(in the currency of the sub-fund)</small>	<b>28/02/2017</b> <small>(in the currency of the sub-fund)</small>
<b>I. Net gains(losses) on investments</b>		
C. Shares and similar instruments		
a) Shares	10.398.820,68	17.218.148,43
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-6.587.136,10	5.379.524,67
<b>Det.section I gains and losses on investments</b>		
Realised gains on investments	7.502.732,49	3.500.009,87
Unrealised gains on investments	13.709.406,10	16.455.616,32
Realised losses on investments	-2.298.562,17	-974.653,19
Unrealised losses on investments	-15.101.891,84	3.616.700,10
<b>II. Investment income and expenses</b>		
A. Dividends	3.113.040,27	1.224.819,62
B. Interests		
b) Cash at bank and in hand and deposits	7.123,28	3.096,36
C. Interest on borrowings (-)	-12.321,71	-3.425,20
<b>III. Other income</b>		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	337.781,44	3.137,48
<b>IV. Operating expenses</b>		
A. Investment transaction and delivery costs (-)	-522.672,24	-31.109,75
B. Financial expenses (-)	-483,71	-1.292,53
C. Custodian's fee (-)	-209.616,87	-75.880,18
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-2.440.810,63	-1.597.395,58
Institutional B Shares	-1.004.196,69	-20.812,18
b) Administration and accounting management	-229.667,40	-107.880,54
E. Administrative expenses (-)	-998,87	-2,34
F. Formation and organisation expenses (-)	-15.738,26	-10.969,64
G. Remuneration, social security charges and pensions	-4.202,44	-4.017,54
H. Services and sundry goods (-)	-7.827,31	-11.649,13
J. Taxes		
Classic Shares	-220.490,71	-95.026,03
Institutional B Shares	-15.004,68	-254,54
K. Other expenses (-)	-155.884,14	-14.793,36
<b>Income and expenditure for the period</b>		
Subtotal II + III + IV	-1.381.970,44	-743.455,08
<b>V. Profit (loss) on ordinary activities before tax</b>	2.429.713,91	21.854.218,02
<b>VII. Result of the period</b>	2.429.713,91	21.854.218,02

## 2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

### 2.4.1 COMPOSITIONS OF THE ASSETS OF KBC Eco FUND WATER

Name	Quantity on 28/02/2018	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
<b>Shares</b>							
Exchange-listed shares							
<u>Australia</u>							
G.U.D. HOLDINGS LTD -	326.670,00	AUD	12,050	2.514.933,24		0,47	0,47
<u>Bermuda</u>							
CONSOLIDATED WATER CO LTD -	50.554,00	USD	12,550	520.192,43		0,10	0,10
<u>Brazil</u>							
CIA DE SANEAMENTO DE MINAS GER -	335.900,00	BRL	44,050	3.734.247,35		0,70	0,69
CIA SANEAMENTO BASICO -	910.900,00	BRL	37,650	8.655.314,40		1,62	1,61
<u>Canada</u>							
ENERCARE INC -	247.864,00	CAD	18,370	2.913.528,08		0,54	0,54
<u>Cayman Islands</u>							
CT ENVIRONMENTAL GROUP LTD -	27.048.000,00	HKD	1,370	3.882.582,96		0,73	0,72
<u>Chile</u>							
AGUAS ANDINAS SA -	4.031.470,00	CLP	397,530	2.209.642,79		0,41	0,41
INVERSIONES AGUAS METROPOLITAN -	1.241.670,00	CLP	1.118,100	1.914.148,23		0,36	0,36
<u>China</u>							
OZNER WATER INTERNATIONAL HOLD -	1.547.000,00	HKD	1,920	311.212,16		0,06	0,06
TIANJIN CAPITAL ENVIRONMENTAL -	3.500.000,00	HKD	4,560	1.672.237,30		0,31	0,31
<u>Finland</u>							
KEMIRA (HEL)	236.508,00	EUR	11,240	2.658.349,92		0,50	0,49
UPONOR OYJ -	125.117,00	EUR	14,640	1.831.712,88		0,34	0,34
<u>France</u>							
SUEZ -	1.331.905,00	EUR	11,325	15.083.824,13		2,82	2,80
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	19.104.000,00	HKD	5,100	10.208.442,91		1,91	1,89
CHINA EVERBRIGHT INTL -	7.997.000,00	HKD	12,120	10.155.346,23		1,90	1,88
CHINA LIANSU GROUP HOLDINGS LT -	3.246.000,00	HKD	5,150	1.751.542,84		0,33	0,33
CHINA WATER AFFAIRS GROUP LTD -	6.100.000,00	HKD	6,910	4.416.445,76		0,83	0,82
CHINA WATER AFFAIRS GROUP LTD -	2.608.000,00	HKD	1,620	442.677,68		0,08	0,08
<u>India</u>							
GAYATRI PROJECTS LTD -	35.436,00	INR	211,700	94.415,01		0,02	0,02
JAIN IRRIGATION SYSTEMS LTD -	4.948.561,00	INR	116,950	7.283.743,49		1,36	1,35
NCC LTD/INDIA -	5.294.573,00	INR	131,700	8.775.910,87		1,64	1,63
SPML INFRA LTD -	124.981,00	INR	111,900	176.014,96		0,03	0,03
THERMAX LTD -	70.144,00	INR	1.154,550	1.019.245,40		0,19	0,19
<u>Ireland</u>							
PENTAIR PLC -	189.496,00	USD	68,690	10.672.307,83		1,99	1,98

<u>Japan</u>							
EBARA CORP -	360.000,00	JPY	4.000,000	11.064.768,85		2,07	2,05
KUBOTA CORP -	756.300,00	JPY	1.947,000	11.314.618,25		2,11	2,10
KURITA WATER INDUSTR. -	351.300,00	JPY	3.295,000	8.894.333,76		1,66	1,65
NOMURA MICRO SCIENCE CO LTD -	72.900,00	JPY	1.149,000	643.616,86		0,12	0,12
ORGANO CORPORATION -	18.000,00	JPY	3.430,000	474.401,96		0,09	0,09
TORISHIMA PUMP MANUFACTURING CO -	23.700,00	JPY	1.044,000	190.120,39		0,04	0,04
TSUKISHIMA KIKAI CO LTD -	72.000,00	JPY	1.535,000	849.221,01		0,16	0,16
TSURUMI MANUFACTURING CO LTD -	18.000,00	JPY	1.989,000	275.097,82		0,05	0,05
<u>Jersey/The Channel Islands</u>							
FERGUSON PLC -	194.524,00	GBP	51,460	11.308.410,57		2,11	2,10
<u>Netherlands</u>							
AALBERTS INDUSTRIES (AMS)	205.307,00	EUR	41,270	8.473.019,89		1,58	1,57
ARCADIS N.V. (AMS)	152.021,00	EUR	19,720	2.997.854,12		0,56	0,56
<u>Philippines</u>							
MANILA WATER CO -	1.408.500,00	PHP	26,000	576.532,52		0,11	0,11
METRO PACIFIC INVESTMENTS CORP -	24.536.000,00	PHP	5,630	2.174.732,13		0,41	0,40
<u>Singapore</u>							
CITIC ENVIROTECH LTD -	591.700,00	SGD	0,730	267.720,96		0,05	0,05
MOYA HOLDINGS ASIA LTD -	10.469.000,00	SGD	0,093	603.456,68		0,11	0,11
SEBACORP INDUSTRIES LTD -	3.045.700,00	SGD	3,200	6.040.808,23		1,13	1,12
SIIC ENVIRONMENT HOLDINGS LTD -	1.708.280,00	SGD	0,515	545.285,86		0,10	0,10
SOUND GLOBAL LTD -	2.051.000,00	HKD	2,086	448.275,48		0,08	0,08
<u>South Korea</u>							
COWAY CO LTD -	111.370,00	KRW	86.600,000	7.302.347,84		1,36	1,36
<u>Spain</u>							
FLUIDRA SA -	113.270,00	EUR	11,900	1.347.913,00		0,25	0,25
<u>Sweden</u>							
ALFA LAVAL -	610.058,00	SEK	200,300	12.092.011,93		2,26	2,24
SWECO AB -	84.028,00	SEK	180,100	1.497.560,00		0,28	0,28
<u>Switzerland</u>							
GEBERIT AG -	38.371,00	CHF	428,200	14.254.511,08		2,66	2,65
GEORG.FISCHER (NAAM)	8.965,00	CHF	1.384,000	10.764.377,74		2,01	2,00
SULZER FRERES (NOM)	51.040,00	CHF	126,400	5.597.064,16		1,05	1,04
<u>Thailand</u>							
TTW PCL -	2.905.900,00	THB	13,300	1.006.884,86		0,19	0,19
<u>U.K.</u>							
AMIAD FILTRATION SYSTEMS LTD -	175.824,00	GBP	1,725	342.630,37		0,06	0,06
COSTAIN GROUP PLC -	174.954,00	GBP	4,425	874.572,36		0,16	0,16
HALMA PLC -	888.353,00	GBP	12,050	12.092.920,98		2,26	2,24
PENNON GROUP PLC -	1.121.317,00	GBP	6,086	7.709.371,06		1,44	1,43
POLYPIPE GROUP PLC -	513.034,00	GBP	3,904	2.262.635,26		0,42	0,42
ROTORK PLC -	1.847.671,00	GBP	2,950	6.157.511,81		1,15	1,14
RPS GROUP -	251.765,00	GBP	2,265	644.202,13		0,12	0,12
SEVERN TRENT -	654.774,00	GBP	17,075	12.630.214,70		2,36	2,34
UNITED UTILITIES WATER PLC -	1.613.557,00	GBP	6,662	12.143.602,28		2,27	2,25
WEIR GROUP PLC (THE) -	436.167,00	GBP	20,360	10.032.038,09		1,87	1,86
<u>U.S.A.</u>							
ADVANCED DRAINAGE SYSTEMS INC -	105.423,00	USD	25,550	2.208.467,72		0,41	0,41
AGILENT TECHNOLOGIES -	199.765,00	USD	68,590	11.234.273,23		2,10	2,09



AMERICAN STATES WATER CO -	218.671,00	USD	53,120	9.523.882,69		1,78	1,77
AMERICAN WATER WORKS INC. -	188.327,00	USD	79,360	12.254.032,48		2,29	2,27
AO SMITH CORP -	209.197,00	USD	64,190	11.010.007,32		2,06	2,04
AQUA AMERICA INC -	466.815,00	USD	34,190	13.086.053,25		2,45	2,43
ARTESIAN RESOURCES CORP -A-	22.469,00	USD	33,090	609.600,47		0,11	0,11
BADGER METER INC -	107.049,00	USD	47,600	4.177.864,47		0,78	0,78
CADIZ INC -	187.674,00	USD	13,850	2.131.172,80		0,40	0,40
CALGON CARBON CORP -	714.931,00	USD	21,250	12.456.265,12		2,33	2,31
CALIFORNIA WATER SERVICE GROUP -	223.700,00	USD	37,950	6.960.533,76		1,30	1,29
CONNECTICUT WATER SVC INC -	35.351,00	USD	51,630	1.496.472,05		0,28	0,28
DANAHER CORPORATION -	160.807,00	USD	97,780	12.891.984,14		2,41	2,39
ECOLAB, INC. -	111.875,00	USD	130,450	11.965.804,74		2,24	2,22
FLOWSERVE CORP -	256.816,00	USD	42,350	8.917.441,56		1,67	1,66
FRANKLIN ELECTRIC CO INC -	123.772,00	USD	39,150	3.973.003,57		0,74	0,74
GORMAN-RUPP CO/THE -	35.158,00	USD	26,680	769.085,75		0,14	0,14
HD SUPPLY HOLDINGS INC -	337.507,00	USD	36,250	10.031.262,04		1,87	1,86
IDEX CORPORATION -	103.142,00	USD	136,800	11.568.749,72		2,16	2,15
INSITUFORM TECHN. CORP. -	152.493,00	USD	22,960	2.870.691,82		0,54	0,53
ITRON INC -	184.242,00	USD	70,000	10.574.295,90		1,98	1,96
LAYNE CHRISTENSEN COMPANY -	187.482,00	USD	15,500	2.382.626,98		0,45	0,44
LINDSAY MANUFACTURING CO -	71.731,00	USD	88,440	5.201.401,75		0,97	0,97
MIDDLESEX WATER CO -	48.491,00	USD	35,440	1.409.028,03		0,26	0,26
MUELLER WATER PRODUCTS INC -A-	832.043,00	USD	11,000	7.504.179,89		1,40	1,39
NORTHWEST PIPE COMPANY -	60.338,00	USD	17,530	867.236,62		0,16	0,16
PICO HOLDINGS INC -	129.383,00	USD	12,250	1.299.505,39		0,24	0,24
PURE CYCLE CORP -	45.374,00	USD	7,950	295.759,69		0,06	0,06
REXNORD HOLDINGS INC -	418.515,00	USD	28,980	9.944.299,35		1,86	1,85
ROPER INDUSTRIES INC -	54.112,00	USD	275,090	12.204.870,32		2,28	2,27
SJW GROUP -	67.784,00	USD	52,940	2.942.225,20		0,55	0,55
SPX CORPORATION -	160.020,00	USD	31,230	4.097.425,16		0,77	0,76
STANTEC INC -	185.968,00	CAD	32,210	3.832.882,83		0,72	0,71
TETRA TECH INC. -	184.735,00	USD	48,950	7.414.240,36		1,39	1,38
VALMONT INDUSTRIES -	70.798,00	USD	147,100	8.538.831,47		1,60	1,59
WATTS WATER TECHNOLOGIES INC "A"	91.309,00	USD	75,500	5.652.301,48		1,06	1,05
XYLEM INC/NY -	185.618,00	USD	74,580	11.350.297,58		2,12	2,11
YORK WATER CO -	37.418,00	USD	28,100	862.088,14		0,16	0,16
Total shares				535.302.808,68		100,00	99,33
Forward contracts		EUR		-0,02			
TOTAL SECURITIES PORTFOLIO				535.302.808,66		100,00	99,33
CASH AT BANK AND IN HAND							
<b>Demand accounts</b>							
<u>Belgium</u>							
KBC GROUP AUD	221.248,60	AUD	1,000	141.354,84			0,03
KBC GROUP CAD	60.937,49	CAD	1,000	38.992,51			0,01
KBC GROUP CHF	14.520,78	CHF	1,000	12.597,74			0,00
KBC GROUP EURO	3.674.659,88	EUR	1,000	3.674.659,88			0,68
KBC GROUP GBP	44.277,88	GBP	1,000	50.020,20			0,01
KBC GROUP HKD	-29.003.604,90	HKD	1,000	-3.038.904,13			-0,56
KBC GROUP JPY	326.423.213,00	JPY	1,000	2.508.192,64			0,47
KBC GROUP MXN	2.371.096,20	MXN	1,000	103.041,19			0,02
KBC GROUP SEK	3.753.474,52	SEK	1,000	371.432,55			0,07
KBC GROUP SGD	103.097,55	SGD	1,000	63.900,80			0,01

KBC GROUP USD	6.666.786,76	USD	1,000	5.466.147,47		1,01
Total demand accounts				9.391.435,69		1,74
<b>TOTAL CASH AT BANK AND IN HAND</b>				<b>9.391.435,69</b>		<b>1,74</b>
<b>OTHER RECEIVABLES AND PAYABLES</b>						
<b>Receivables</b>						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	2.454.863,56	EUR	1,000	2.454.863,56		0,46
KBC GROUP HKD RECEIVABLE	29.355.000,00	HKD	1,000	3.075.722,17		0,57
Total receivables				5.530.585,73		1,03
<b>Payables</b>						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-3.066.308,73	EUR	1,000	-3.066.308,73		-0,57
KBC GROUP INR TE BETALEN	-253.668.363,50	INR	1,000	-3.192.580,05		-0,59
KBC GROUP JPY PAYABLE	-323.308.350,00	JPY	1,000	-2.484.258,45		-0,46
KBC GROUP USD PAYABLE	-2.778.643,56	USD	1,000	-2.278.230,28		-0,42
Payables				-11.021.377,51		-2,05
<b>TOTAL RECEIVABLES AND PAYABLES</b>				<b>-5.490.791,78</b>		<b>-1,02</b>
<b>OTHER</b>						
Interest receivable		EUR		413.426,47		0,08
Expenses payable		EUR		-720.378,65		-0,14
<b>TOTAL OTHER</b>				<b>-306.952,18</b>		<b>-0,06</b>
<b>TOTAL NET ASSETS</b>				<b>538.896.500,39</b>		<b>100,00</b>

**Geographic breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Australia	1,49	1,51	1,08	0,47
Bermuda	0,43	0,33	0,22	0,10
Brazil	2,98	3,74	3,71	2,31
Canada	2,65	1,58	1,54	0,54
Switzerland	4,12	3,82	5,94	7,71
Chile	0,00	0,00	0,41	0,77
China	0,00	0,00	0,44	0,37
Cayman Islands	1,24	0,80	0,32	0,73
Spain	0,24	0,29	0,39	0,25
Finland	2,22	2,07	1,72	0,84
France	3,20	2,94	2,66	2,82
U.K.	10,34	10,64	10,95	12,12
Hong Kong	3,82	4,08	4,59	5,04
India	1,65	1,72	1,81	3,24
Italy	2,90	2,76	0,00	0,00
Jersey/The Channel Islands	1,39	1,33	1,82	2,11
Japan	2,55	2,17	6,74	6,30
South Korea	1,27	1,43	1,54	1,36
Malaysia	0,17	0,15	0,07	0,00
Netherlands	2,19	2,11	2,81	2,14
Philippines	2,50	2,16	1,50	0,51
Singapore	2,15	2,36	1,89	1,48
Sweden	1,14	1,38	2,01	2,54
Thailand	0,20	0,19	0,17	0,19
U.S.A.	49,16	50,44	45,67	46,06
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Sector breakdown (as a % of securities portfolio)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
Cyclicals	45,24	46,39	56,64	60,88
Consum(cycl)	6,97	6,92	5,79	4,97
Financials	1,85	1,53	1,25	0,65
Technology	5,37	4,46	4,52	4,03
Telecomm.	1,23	0,00	0,00	0,41
Utilities	39,34	40,70	31,80	29,06
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

**Currency breakdown (as a % of net assets)**

	<b>31/08/2016</b>	<b>28/02/2017</b>	<b>31/08/2017</b>	<b>28/02/2018</b>
AUD	1,43	1,50	1,13	0,49
BRL	1,15	1,77	2,47	2,30
CAD	3,81	2,79	2,71	1,26
CHF	2,78	2,54	4,54	5,68
CLP	0,00	0,00	0,35	0,76
EUR	11,21	11,00	7,62	6,58
GBP	11,72	11,89	12,73	14,14
HKD	5,30	5,15	5,82	6,18
INR	1,64	1,70	1,77	2,63
JPY	2,53	2,16	6,73	6,26
KRW	1,26	1,41	1,53	1,35
MXN	0,05	0,04	0,05	0,02
MYR	0,17	0,14	0,09	0,00
PHP	2,48	2,13	1,59	0,51
SEK	1,17	1,38	2,06	2,59
SGD	1,79	2,02	1,78	1,39
THB	0,20	0,18	0,17	0,19
USD	51,31	52,20	46,86	47,67
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

#### 2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC Eco FUND WATER (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
<b>Purchases</b>	338.905.707,36	338.905.707,36
<b>Sales</b>	43.057.292,65	43.057.292,65
<b>Total 1</b>	381.963.000,01	381.963.000,01
<b>Subscriptions</b>	327.239.382,46	327.239.382,46
<b>Redemptions</b>	27.215.798,80	27.215.798,80
<b>Total 2</b>	354.455.181,26	354.455.181,26
<b>Monthly average of total assets</b>	461.577.854,02	461.577.854,02
<b>Turnover rate</b>	5,96 %	5,96 %

	1st half of year	Year
<b>Purchases</b>	338.905.707,36	338.905.707,36
<b>Sales</b>	43.057.292,65	43.057.292,65
<b>Total 1</b>	381.963.000,01	381.963.000,01
<b>Subscriptions</b>	327.239.382,46	327.239.382,46
<b>Redemptions</b>	27.215.798,80	27.215.798,80
<b>Total 2</b>	354.455.181,26	354.455.181,26
<b>Monthly average of total assets</b>	422.222.851,17	422.222.851,17
<b>Corrected turnover rate</b>	6,52 %	6,52 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

**2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS**

Nil

**2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE**

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	23.031,75	14.922,04	18.777,06	11.354,98	145.099,54	34.008,00	179.107,54
2017 - 08*	40.331,78	17.186,94	32.061,10	8.241,97	153.370,22	42.952,97	196.323,19
2018 - 02*	77.417,66	54.800,43	8.336,45	3.043,65	222.451,43	94.709,76	317.161,19

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	25.590.950,94	13.284.191,43	20.744.054,72	10.055.646,51
2017 - 08*	52.100.151,26	17.279.922,76	40.026.537,06	8.270.761,29
2018 - 02*	105.024.082,47	57.730.520,25	11.237.771,36	3.165.647,20

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2016 - 08*	206.016.838,38	1.196,64	952,26
2017 - 08*	236.248.101,58	1.263,84	987,41
2018 - 02*	385.457.597,06	1.306,20	1.001,92

\* The financial year does not coincide with the calendar year.

## Institutional B Shares

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2016 - 08*	513,00		758,00		2.278,00		2.278,00
2017 - 08*	792,00		2.380,00		690,00		690,00
2018 - 02*	125.844,08		9.586,00		116.948,08		116.948,08

Period	Amounts received and paid by the UCI (in the currency of the class)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2016 - 08*	581.649,56		851.544,92	
2017 - 08*	929.808,78		3.104.086,41	
2018 - 02*	165.461.400,57		12.969.075,71	

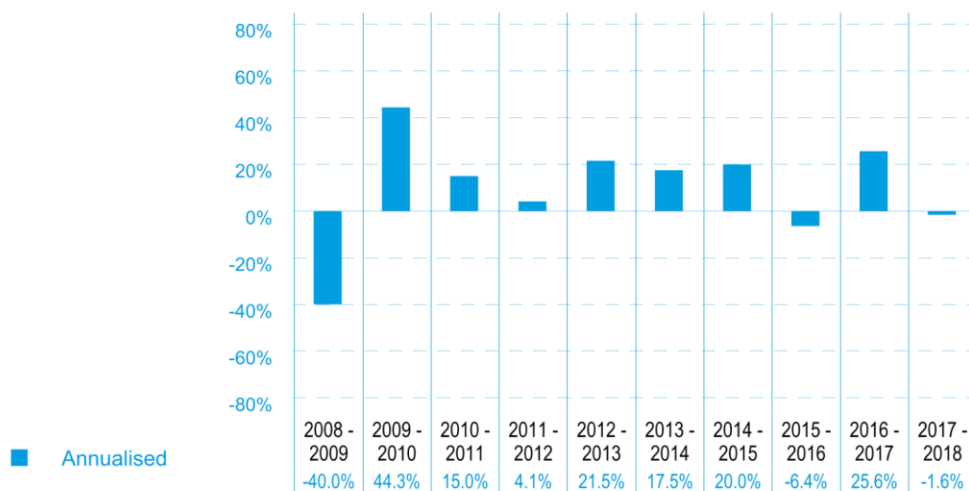
Period	Net asset value End of period (in the currency of the class)		
	Of the class	Of one share	
		Capitalization	Distribution
2016 - 08*	2.736.120,62	1.201,11	
2017 - 08*	876.037,13	1.269,62	
2018 - 02*	153.438.903,33	1.312,03	

\* The financial year does not coincide with the calendar year.

## 2.4.5. Performance figures

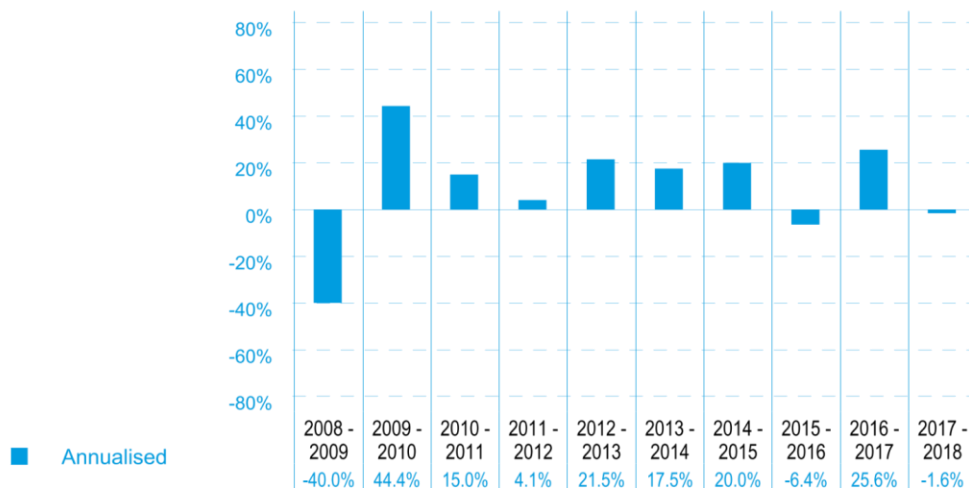
### Classic Shares

BE0175478057  
KBC Eco Fund Water Classic Shares DIS  
Annual performance on 28/02/2018 (in EUR)



### Classic Shares

BE0175479063  
KBC Eco Fund Water Classic Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Cur-rency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
DIS	BE0175478057	EUR	-1.61%		4.96%		10.26%		7.47%		01/12/2000	5.71%
CAP	BE0175479063	EUR	-1.55%		4.99%		10.30%		7.49%		01/12/2000	5.73%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.



## Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

### Capitalisation units (CAP)

Return on date D over a period of X years :

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

### Distribution units (DIV)

Return on date D over a period of X years :

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where  $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where  $F = 1$  if the unit has existed for less than one year on date D

where  $F = (D - S) / 365.25$  if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

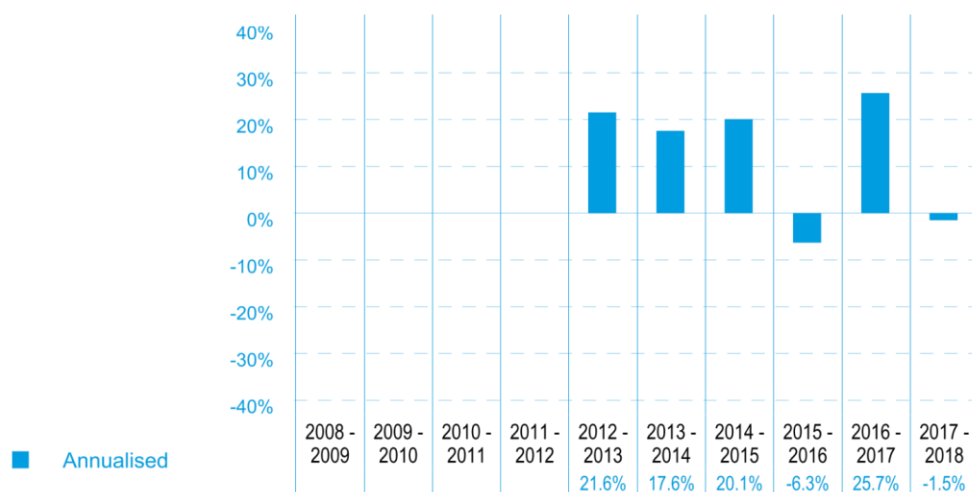
$i = 1 \dots N$

from which  $C = C_0 * \dots * C_N$ .

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares

## Institutional B Shares

BE6228912570  
KBC Eco Fund Water Institutional B Shares CAP  
Annual performance on 28/02/2018 (in EUR)



Cap Div	ISIN Code	Currency	1 year		3 years		5 years		10 years		Since Launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Starting date	Share classes
CAP	BE6228912570	EUR	-1.52%		5.05%		10.37%				25/11/2011	14.92%

Risk warning: Past performance is not a guide to future performance.

\* Return on annual basis.

## Institutional B Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring..
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:  
Capitalisation units (CAP)  
 Return on date D over a period of X years :  

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1 / X} - 1$$
 where Y = D-X  
 Return on date D since the start date S of the unit:  

$$[\text{NIW}(D) / \text{NIW}(S)]^{1 / F} - 1$$
 where F = 1 if the unit has existed for less than one year on date D  
 where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the nth square root of 1 plus the total return of the unit..
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation shares.

## 2.4.6 COSTS

### Ongoing Charges: \*

Classic Shares Distribution: 1.918%

Classic Shares Capitalization: 1.848%

Institutional B Shares Capitalization: 1.838%

\* The following are not included in the charges shown: entry and exit charges, performance fees, transaction costs paid when buying or selling assets, interest paid, payments made with a view to providing collateral in the context of derivative financial instruments, or commissions relating to Commission Sharing Agreements or similar fees received by the Management Company or any person associated with it.

### EXISTENCE OF COMMISSION SHARING AGREEMENTS

The Management Company, or where applicable, the appointed manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period:	CSA Credits in EUR accrued during the period:	Percentage
	1-09-17 - 28-02-18	1-09-17 - 28-02-18	
CARNEGIE	114	33	28,57%
CITI	6	2	40,00%
CITI	38.544	15.145	39,29%
CSFBSAS	434	174	40,00%
CSFBSAS	3.924	1.570	40,00%
DEUTSCHE	292	117	40,00%
EQ CSA GOLDMAN SACHS INTERNATIONAL	23.360	9.268	39,67%
HSBC	51.702	19.532	37,78%
INSTINET	21.481	7.512	34,97%
MACQUARIE	33.566	12.855	38,30%
MERRILL	3.782	1.470	38,86%
MORGAN STANLEY	4.929	1.498	30,39%
SOCGEN	1.069	306	28,57%
UBSWDR	9.790	3.521	35,96%

### FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

## 2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per year (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, no management fee is charged on assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% per year calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1844 EUR per year. This fee is not including VAT and can be indexed on an annual basis in accordance with the decisions of the general meeting.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in underlying undertakings for collective investment managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

### Exercising voting rights.

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.